UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 40-F

☐ **Registration statement pursuant to Section 12 of the Securities Exchange Act of 1934**

or

☒ **Annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934**

Commission File Number: 001-40258

For the fiscal year ended October 31, 2024

HIGH TIDE INC.
(Exact name of registrant as specified in its charter)

N/A
(Translation of Registrant's name into English (if applicable))

Alberta, Canada
(Province or other jurisdiction of incorporation or organization)

5990
(Primary Standard Industrial Classification Code Number (if applicable))

N/A
(I.R.S. Employer Identification Number (if applicable))

Unit 112, 11127 – 15 Street N.E.
Calgary, Alberta
Canada T3K 2M4
(403) 770-9435

(Address and telephone number of Registrant's principal executive offices)

CCS Global Solutions, Inc.
530 Seventh Avenue, Suite 508
New York, New York 10018
(800) 300-5067

(Name, address (including zip code) and telephone number (including area code)
of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Shares	**HITI**	**NASDAQ Capital Market**

Securities registered or to be registered pursuant to Section 12(g) of the Act**None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act**None**

For annual reports, indicate by check mark the information filed with this Form:

☒ Annual information form ☒ Audited annual financial statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

The number of common shares of the issuer outstanding as of October 31, 2024 was [30,787,017]

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ NO ☐

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files).

Yes ☒ NO ☐

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.

☒ Emerging growth company

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act.
☐

† The term “new or revised financial accounting standard” refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the

Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

EXPLANATORY NOTE

High Tide Inc. (the "Corporation," "Registrant," or "High Tide") is a "foreign private issuer" as defined in Rule 3b-4 under Securities Exchange Act of 1934, as amended (the "Exchange Act"), and is a Canadian issuer eligible to file its annual report ("Annual Report") pursuant to Section 13 of the Exchange Act on Form 40-F pursuant to the multi-jurisdictional disclosure system (the "MJDS") adopted by the United States Securities and Exchange Commission (the "SEC"). The Corporation's common shares are listed on the TSX Venture Exchange and the Nasdaq Capital Market ("NASDAQ") under the trading symbol "HITI".

In this annual report, references to "we", "our", "us", the "Corporation," the "Registrant," or "High Tide", mean High Tide Inc. and our wholly-owned subsidiaries, unless the context suggests otherwise.

FORWARD LOOKING STATEMENTS[1]

Certain statements contained in this Annual Report and in the documents incorporated by reference in this Annual Report, constitute "forward-looking information" and "forward-looking statements" (together "forward-looking statements") within the meaning of applicable securities laws, including under the United States Private Securities Litigation Reform Act of 1995, and are based on assumptions, expectations, estimates and projections as at the date of this Annual Report. Forward-looking statements relate to future events or future performance and reflect Management's expectations or beliefs regarding future events. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology.

Forward-looking statements in this Annual Report and in documents incorporated by reference herein include, but are not limited to, statements with respect to:

- the business objectives and milestones and the anticipated timing of, and costs in connection with, the execution or achievement of such objectives and milestones;
- the Corporation's future growth prospects and intentions to pursue one or more viable business opportunities;
- the development of the business and future activities following the date of this Annual Report;

- expectations relating to market size and anticipated growth in the jurisdictions within which the Corporation may from time to time operate or contemplate future operations;
- expectations with respect to economic, business, regulatory or competitive factors related to the Corporation or the cannabis industry generally;
- the market for the Corporation's current and proposed product offerings, as well as the Corporation's ability to capture market share;
- the Corporation's strategic investments and capital expenditures, and related benefits;
- the distribution methods expected to be used by the Corporation to deliver its product offerings;
- the competitive landscape within which the Corporation operates and the Corporation's market share or reach;
- the performance of the business and the operations and activities of the Corporation;
- the Corporation's ability to generate cash flow from operations and from financing activities;
- the Corporation's ability to obtain, maintain, and renew or extend, applicable authorizations, including the timing and impact of the receipt thereof;
- the realization of cost savings, synergies or benefits from the Corporation's recent and proposed acquisitions, and the Corporation's ability to successfully integrate the operations of any business acquired within the business;
- the Corporation's intention to devote resources to the protection of its intellectual property rights, including by seeking and obtaining registered protections and developing and implementing standard operating procedures;
- the intention of the Corporation to complete the 2023 at-the-market equity offering program ("2023 ATM Program") and any additional offering of securities of the Corporation and the aggregate amount of the total proceeds that the Corporation will receive pursuant to the 2023 ATM Program, a $19,000,000 senior secured credit facility with connectFirst ("September 2022 Credit Facility"), or any future offering;
- the Corporation's expected use of the net proceeds from the 2023 ATM Program, September 2022 Credit Facility or any future offering;
- the anticipated effects of the 2023 ATM Program, September 2022 Credit Facility or any future offering on the business and operations of the Corporation;
- the listing of common shares offered in the 2023 ATM Program or any future offering;
- the closing of the acquisition of Purecan pursuant to the Purecan Acquisition Agreement; and
- the Corporation's ability to generate cash flow from operations and from financing activities.

Forward-looking statements are subject to certain risks and uncertainties. Although Management believes that the expectations reflected in these forward-looking statements are reasonable in light of, among other things, its perception of trends, current conditions and expected developments, as well as other factors that Management believes to be relevant and reasonable in the circumstances at the date that such statements are made, readers are cautioned not to place undue reliance on forward-looking statements, as forward-looking statements may prove

to be incorrect. A number of factors could cause actual results to differ materially from a conclusion, forecast or projection contained in the forward-looking statements. Importantly, forward-looking statements contained in this Annual Report and in documents incorporated by reference are based upon certain assumptions that Management believes to be reasonable based on the information currently available to Management, including, but not limited to, the assumptions that:

- current and future members of Management will abide by the business objectives and strategies from time to time established by the Corporation;
- the Corporation will retain and supplement its board of directors ("Board") and management ("Management"), or otherwise engage consultants and advisors having knowledge of the industries (or segments thereof) within which the Corporation may from time to time participate;
- the Corporation will have sufficient working capital and the ability to obtain the financing required in order to develop and continue its business and operations;
- the Corporation will continue to attract, develop, motivate and retain highly qualified and skilled consultants and/or employees, as the case may be;
- no adverse changes will be made to the regulatory framework governing cannabis, taxes and all other applicable matters in the jurisdictions in which the Corporation conducts business and any other jurisdiction in which the Corporation may conduct business in the future;
- the Corporation will be able to generate cash flow from operations, including, where applicable, distribution and sale of cannabis and cannabis products;
- the Corporation will be able to execute on its business strategy as anticipated;
- the Corporation will be able to meet the requirements necessary to obtain and/or maintain authorizations required to conduct the business;
- general economic, financial, market, regulatory, and political conditions will not negatively affect the Corporation or its business;
- the Corporation will be able to successfully compete in the cannabis industry;
- cannabis prices will not decline materially;
- the Corporation will be able to effectively manage anticipated and unanticipated costs;
- the Corporation will be able to maintain internal controls over financial reporting and disclosure, and procedures in order to ensure compliance with applicable laws;
- the Corporation will be able to conduct its operations in a safe, efficient and effective manner;
- general market conditions will be favourable with respect to the Corporation's future plans and goals;
- the Corporation will complete the 2023 ATM Program;
- the Corporation will use the net proceeds from the 2023 ATM Program, September 2022 Credit Facility or any future offering as outlined;
- the Corporation will list the common shares offered in the 2023 ATM Program or any future offering;

- the Corporation will make interest payments for the September 2022 Credit Facility;
- the 2023 ATM Program, September 2022 Credit Facility or any future offering will have the anticipated effects on the business and operations of the Corporation;
- the Corporation will reach the anticipated sales from continuing operations;
- the Corporation will complete its proposed acquisitions;
- same-store sales and consolidated gross margins will continue to increase in the first fiscal quarter of 2025 and beyond;
- the Corporation will make meaningful increases to its revenue profile;
- the Corporation will continue to increase its revenue through the first fiscal quarter of 2025, and the remainder of the year;
- the Corporation will hit its forecasted revenue and sales projections for the first fiscal quarter of 2025;
- the Corporation will complete the development of its cannabis retail stores; and
- the Corporation will continue to grow its online retail portfolio through further strategic and accretive acquisitions.

By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Although Management believes that the expectations reflected in, and assumptions underlying, such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. New factors emerge from time to time, and it is not possible for Management to predict all of those factors or to assess in advance the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. Some of the risks that could cause results to differ materially from those expressed in forward-looking statements in this Annual Report and in documents incorporated by reference herein include:

- the Corporation’s inability to attract and retain qualified members of Management to grow the business and its operations;
- unanticipated changes in economic and market conditions or in applicable laws;
- the impact of the publications of inaccurate or unfavourable research by securities analysts or other third parties;
- the Corporation’s failure to complete future acquisitions or enter into strategic business relationships;
- interruptions or shortages in the supply of cannabis from time to time available to support the Corporation’s operations from time to time;
- unanticipated changes in the cannabis industry in the jurisdictions within which the Corporation may from time to time conduct its business and operations, including the Corporation’s inability to respond or adapt to such changes;

- the Corporation's inability to secure or maintain favourable lease arrangements or the required authorizations necessary to conduct the business and operations and meet its targets;
- the Corporation's inability to secure desirable retail cannabis store locations on favourable terms;
- risks relating to projections of the Corporation's operations;
- the Corporation will not complete the 2023 ATM Program;
- the Corporation's inability to effectively manage unanticipated costs and expenses, including costs and expenses associated with product recalls and judicial or administrative proceedings against the Corporation;
- the Corporation's inability to list the common shares offered in the 2023 ATM Program or in any future offering;
- the Corporation's failure to utilize the use of proceeds from the 2023 ATM Program, and September 2022 Credit Facility or any future offering as expected;
- the Corporation's inability to make interest payments for the September 2022 Credit Facility;
- the Corporation's inability to complete its proposed acquisitions;
- same-store sales or consolidated gross margins will not increase, but decease or plateau;
- the Corporation will not hit its forecasted revenue and sales projections for the first fiscal quarter of 2025;
- the Corporation will be unable to increase its revenue through the first fiscal quarter of 2025, and the remainder of the year, but that it will decease or plateau;
- the Corporation will be unable to continue to integrate and expand its CBD brands;
- the Corporation will be unable to complete the development of any or all of its cannabis retail stores;
- risks surrounding the legality of Delta-8 tetrahydrocannabinol ("Delta-8") derived from the plant Cannabis sativa L. and any part of that plant, including the seeds thereof, and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a THC (as defined below) concentration of not more than 0.3% on a dry weight basis ("Hemp");
- risks surrounding the uncertainty and legality of Delta-8 and Delta-9 tetrahydrocannabinol ("Delta-9" or "THC") state to state;
- risk that the U.S. Drug Enforcement Administration ("DEA") could consider the Corporation's Delta-8 tetrahydrocannabinol ("Delta-8") products an illegal controlled substance under the Controlled Substance Act of 1970 (U.S.) ("U.S. CSA") or Federal Analogue Act in the United States;
- risk that that state or federal regulators or law enforcement could take the position that the Delta-8 and Delta-9 products and/or this in-process Hemp extract are/is a Schedule I controlled substance in violation of the U.S. CSA and similar State laws;

- risk that the Corporation's Delta-9 products could be considered by state law enforcement and state regulators to be marijuana illegal under state laws criminalizing the possession, distribution, trafficking and sale of marijuana;

- risk that should the Corporation become subject to enforcement action by federal or state agencies, the Corporation could: (i) be forced to stop offering some or all of it Delta-8 and Delta-9 products or stop all business operations, (ii) be subject to other civil or criminal sanctions or (iii) be required to defend against such enforcement and if unsuccessful could cause the Corporation to cease its operations; and

- risk that enforcement or regulatory action at the United States federal or state level could adversely impact the listings of the common shares on the TSX Venture Exchange ("TSXV") and the Nasdaq Stock market ("Nasdaq").

Readers are cautioned that the foregoing list of factors are not exhaustive. The Corporation provides no assurance that forward-looking statements contained in this Annual Report and documents incorporated by reference herein will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements, and, in evaluating these forward-looking statements, readers should specifically consider various factors, including the risks outlined under the heading "*Risk Factors*" in the Annual Information Form, filed as Exhibit 99.1 to this Annual Report, and in the other documents incorporated by reference herein, which may cause actual results to differ materially from the results, performance or achievements of the Corporation expressed or implied by any forward-looking statements.

The forward-looking statements contained herein are made as of the date of this Annual Report and as of the date of the documents incorporated by reference herein, and except as required by applicable securities laws, the Corporation does not intend, and does not assume any obligation, to update these forward-looking statements.

CAUTIONARY NOTE REGARDING FUTURE ORIENTED FINANCIAL INFORMATION[2]

This Annual Report, and documents incorporated by reference herein, may contain future oriented financial information ("FOFI") within the meaning of applicable securities laws and analogous U.S. securities laws, about prospective results of operations, financial position or cash flows, based on assumptions about future economic conditions and courses of action, which FOFI is not presented in the format of a historical balance sheet, income statement or cash flow statement. The FOFI has been prepared by Management to provide an outlook of the Corporation's activities and results and has been prepared based on a number of assumptions including the assumptions discussed under the heading "Cautionary Note Regarding Forward-Looking Information" in the Annual Information Form, filed as Exhibit 99.1 to this Annual Report, and assumptions with respect to the costs and expenditures to be incurred by the Corporation, capital expenditures and operating costs, taxation rates for the Corporation and general and administrative expenses. Management does not have, or may not have had at the relevant date, firm commitments for all of the costs, expenditures, prices or other financial assumptions which may have been used to prepare the FOFI or assurance that such operating results will be achieved and, accordingly, the complete financial effects of all of those costs, expenditures, prices and operating results are not, or may not have been at the relevant date of the FOFI, objectively determinable.

Importantly, the FOFI contained in this Annual Report, and in documents incorporated by reference herein are, or may be, based upon certain additional assumptions that Management believes to be reasonable based on the information currently available to Management, including, but not limited to, assumptions about: (i) the future pricing for the Corporation's products, (ii) the future market demand and trends within the jurisdictions in which the Corporation may from time to time conduct the business, (iii) the Corporation's ongoing inventory

levels, and operating cost estimates, (iv) the Corporation's net proceeds from the 2023 ATM Program, and September 2022 Credit Facility. The FOFI or financial outlook contained in this Annual Report, and in documents incorporated by reference herein do not purport to present the Corporation's financial condition in accordance with IFRS as issued by the International Accounting Standards Board, and there can be no assurance that the assumptions made in preparing the FOFI will prove accurate. The actual results of operations of the Corporation and the resulting financial results will likely vary from the amounts set forth in the analysis presented in any such document, and such variation may be material (including due to the occurrence of unforeseen events occurring subsequent to the preparation of the FOFI). The Corporation and Management believe that the FOFI has been prepared on a reasonable basis, reflecting Management's best estimates and judgments as at the applicable date. However, because this information is highly subjective and subject to numerous risks including the risks discussed under the heading "Risk Factors", FOFI or financial outlook within the Annual Information Form, filed as Exhibit 99.1 to this Annual Report, and in documents incorporated by reference herein, should not be relied on as necessarily indicative of future results.

Readers are cautioned not to place undue reliance on the FOFI, or financial outlook contained in this Annual Report, and in documents incorporated by reference herein. Except as required by applicable securities laws, the Corporation does not intend, and does not assume any obligation, to update such FOFI.

NOTICE TO UNITED STATES READERS - DIFFERENCES IN UNITED STATES AND CANADIAN REPORTING PRACTICES

The Registrant is permitted, under the MJDS, to prepare this Annual Report in accordance with Canadian disclosure requirements, which are different from those of the United States. The Registrant has historically prepared its consolidated financial statements, which are filed as Exhibit 99.2, and incorporated herein by reference, to this Annual Report on Form 40-F, in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board, which are subject to Canadian auditing and auditor independence standards. Financial statements prepared in IFRS may differ from financial statements prepared in United States GAAP ("U.S. GAAP") and from practices prescribed by the SEC. Therefore, the Registrant's financial statements filed with this Annual Report may not be comparable to financial statements of United States companies prepared in accordance with U.S. GAAP.

Unless otherwise indicated, all dollar amounts in this Annual Report are in Canadian dollars. The exchange rate of Canadian dollars into U.S. dollars, on January 28, 2025 based upon the closing rate published by the Bank of Canada, was U.S.$1.00=CDN$1.4394. Bank of Canada exchange rates are nominal quotations and are not buying or selling rates. These rates are intended for statistical or analytical purposes. Rates available from financial institutions will differ.

PRINCIPAL DOCUMENTS

The following documents have been filed as part of this annual report on Form 40-F:

A. Annual Information Form

The Registrant's Annual Information Form for the fiscal year ended October 31, 2024 is attached as Exhibit 99.1 to this annual report on Form 40-F, and is incorporated by reference herein.

B. Audited Annual Financial Statements

The Registrant's consolidated audited annual financial statements, including the reports of the independent registered public accounting firm with respect thereto, are attached as Exhibit 99.2 to this annual report on Form 40-F, and is incorporated by reference herein.

C. Management's Discussion and Analysis

The Registrant's Management's Discussion and Analysis of financial condition and results of operations for the twelve-month period ended October 31, 2024 is attached as Exhibit 99.3 to this annual report on Form 40-F, and is incorporated by reference herein.

TAX MATTERS

Purchasing, holding or disposing of securities of the Registrant may have tax consequences under the laws of the United States and Canada that are not described in this Annual Report on Form 40-F.

DISCLOSURE CONTROLS AND PROCEDURES

The information provided in the section entitled Disclosure Controls and Procedures and Internal Controls Over Financial Reporting in the 2024 Management's Discussion and Analysis filed as Exhibit 99.3 to this Annual Report on Form 40-F is incorporated by reference herein.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The information provided in the section entitled Disclosure Controls and Procedures and Internal Controls over Financial Reporting in the 2024 Management's Discussion and Analysis filed as Exhibit 99.3 to this Annual Report on Form 40-F is incorporated by reference herein.

ATTESTATION REPORT OF THE REGISTERED PUBLIC ACCOUNTING FIRM

This Annual Report does not include an attestation report of the Registrant's registered public accounting firm due to a transition period established by rules of the SEC for newly public companies. Under Section 3 of the Exchange Act, as a result of enactment of the Jumpstart Our Business Startups Act (the "JOBS Act"), "emerging growth companies" are exempt from Section 404(b) of the Sarbanes-Oxley Act of 2002, which generally requires that a public company's registered public accounting firm provide an attestation report relating to management's assessment of internal control over financial reporting. The Registrant qualifies as an "emerging growth company" and therefore has not included in, or incorporated by reference into, this Annual Report such an attestation report as of the end of the period covered by this Annual Report.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

The information provided in the section entitled Disclosure Controls and Procedures and Internal Controls over Financial Reporting in the 2024 Management's Discussion and Analysis filed as Exhibit 99.3 to this Annual Report on Form 40-F is incorporated by reference herein.

NOTICES PURSUANT TO REGULATION BTR

None.

CODE OF ETHICS

The Registrant has adopted a written "code of ethics" (as defined by the rules and regulations of the SEC), entitled "Code of Business Conduct and Ethics" (the "Code"). This Code applies to all members of the Board of Directors, officers, employees, consultants, contractors, and agents of the Corporation and its affiliates and subsidiaries worldwide. Adherence to the Code is a condition of employment with or providing services to the Corporation.

The Code may be obtained upon request from High Tide Inc.'s head office at #112, 11127 - 15th Street NE, Calgary, AB T3K 2M4, or by viewing the Registrant's web site.

All amendments to the code, and all waivers of the code with respect to any director, executive officer, or principal financial and accounting officers, will be posted on the Registrant's web site within five business days following the date of the amendment or waiver and any amendment will be provided in print to any shareholder upon request.

AUDIT COMMITTEE

Our Board of Directors has established the Audit Committee in accordance with section 3(a)(58)(A) of the Exchange Act and Rule 5605(c) of the NASDAQ Marketplace Rules for the purpose of overseeing our accounting and financial reporting processes and the audits of our annual financial statements.

The Audit Committee is comprised of Nitin Kaushal (Chair), Arthur Kwan, and Christian Sinclair. Our Board of Directors has determined that the Audit Committee meets the composition requirements set forth by Section 5605(c)(2) of the NASDAQ Marketplace Rules, and that each of the members of the Audit Committee is independent as determined under Rule 10A-3 of the Exchange Act and Rule 5605(a)(2) of the NASDAQ Marketplace Rules.

All three members of the Audit Committee are financially literate, meaning they are able to read and understand the Registrant's financial statements and to understand the breadth and level of complexity of the issues that can reasonably be expected to be raised by the Registrant's financial statements.

Our Board of Directors has determined that Nitin Kaushal qualifies as an "audit committee financial expert" (as defined in paragraph (8)(b) of General Instruction B to Form 40-F).

The SEC has indicated that the designation or identification of a person as an audit committee financial expert does not make such person an "expert" for any purpose, impose any duties, obligations or liability on such person that are greater than those imposed on members of the Audit Committee and the Board of Directors who do not carry this designation or identification, or affect the duties, obligations or liability of any other member of the audit committee or board of directors.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

Tabular disclosure of the amounts billed to us by our independent auditors for each of our last two fiscal years ended October 31, as Audit Fees, Audit-related Fees, Tax Fees, and All Other Fees, provided in the section entitled External Auditor Service Fees is made on [page 54] of the Annual Information Form, filed as Exhibit 99.1 to this Annual Report.

PRE-APPROVAL OF AUDIT AND NON-AUDIT SERVICES PROVIDED BY INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee Charter sets out responsibilities regarding the provision of non-audit services by the Registrant's external auditors and requires the Audit Committee to pre-approve all permitted non-audit services to be provided by the Registrant's external auditors, in accordance with applicable law.

OFF-BALANCE SHEET ARRANGEMENTS

The Registrant currently has no off-balance sheet arrangements.

TABULAR DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The following table lists as of October 31, 2024, information with respect to the Registrant's known contractual obligations in Canadian dollars:

	Contractual Obligations				
	Total	Less than one year	1-3 years	4-5 years	Greater than 5 years
Accounts payable and accrued liabilities	$ 23,809	$ 23,809	$ —	$ —	$ —
Notes payable	$ 14,039	$ 13,974	$ —	$ —	$ 65
Interest bearing loans and borrowings	$ 12,891	$ 12,891	$ —	$ —	$ —
Secured Debentures	$ 10,000	$ —	$ —	$ 10,000	$ —
Undiscounted lease obligations	$ 46,421	$ 11,913	$ 18,870	$ 11,174	$ 4,464
Total	$ 107,160	$ 62,587	$ 18,870	$ 21,174	$ 4,529

NASDAQ CORPORATE GOVERNANCE

The Registrant is a foreign private issuer, and its common shares are listed on the NASDAQ.

NASDAQ Rule 5615(a)(3) permits a foreign private issuer to follow its home country practice in lieu of the requirements of the Rule 5600 Series, the requirement to distribute annual and interim reports set forth in Rule 5250(d), and the Direct Registration Program requirement set forth in Rules 5210(c) and 5255; provided, however, that such a company shall comply with the Notification of Material Noncompliance requirement (Rule 5625), the Voting Rights requirement (Rule 5640), have an audit committee that satisfies Rule 5605(c)(3), and ensure that such audit committee's members meet the independence requirement in Rule 5605(c)(2)(A)(ii).

The Registrant has reviewed the NASDAQ corporate governance requirements and confirms that except as described below, the Registrant is in compliance with the NASDAQ corporate governance standards in all significant respects:

Shareholder Meeting Quorum Requirement: The Registrant does not follow Rule 5620(c). Under Rule 5620(c) of the NASDAQ Marketplace Rules, a listed company that is not a limited partnership must provide in its by-laws for a quorum of not less than 33 1/3% of the outstanding shares of the company's common voting stock in respect of all meetings of the holders of its common stock. The Registrant's Bylaws provide that a quorum for the transaction of business at a meeting of Shareholders is two persons who are, or who represent by proxy, Shareholders entitled to vote at the meeting who hold, in aggregate, at least twenty five percent of the votes attached to the outstanding Common Shares. This quorum requirement is consistent with the laws, customs, and practices in Canada.

Further information about the Registrant's governance practices is included on the Registrant's website.

MINE SAFETY DISCLOSURE

Not applicable.

UNDERTAKING

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the SEC staff, and to furnish promptly, when requested to do so by the SEC staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an annual report on Form 40-F arises; or transactions in said securities.

CONSENT TO SERVICE OF PROCESS

The Registrant has previously filed with the SEC a written consent to service of process on Form F-X. Any change to the name or address of the Registrant's agent for service shall be communicated promptly to the SEC by amendment to the Form F-X referencing the file number of the Registrant.

ADDITIONAL INFORMATION

Additional information relating to the Registrant may be found on the SEDAR+ System for Electronic Document Analysis and Retrieval at www.sedarplus.ca and on the SEC's Electronic Data Gathering, Analysis and Retrieval (EDGAR) system at www.sec.gov.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereto duly authorized.

DATED the 29th day of January, 2025.

HIGH TIDE INC.

By: /s/ Raj Grover
Name: Raj Grover
Title: Founder, President and Chief Executive Officer

EXHIBIT INDEX

EXHIBIT	DESCRIPTION OF EXHIBIT
97	Clawback Policy
99.3	The Registrant's Annual Information Form for the fiscal year ended October 31, 2024
99.1	Audited Consolidated Financial Statements for the fiscal year ended October 31, 2024
99.2	Management's Discussion and Analysis for the year ended October 31, 2024
99.4	Certification by the Chief Executive Officer of the Registrant pursuant to Rule 13a-14(a) or 15d-14 of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.5	Certification by the Chief Financial Officer of the Registrant pursuant to Rule 13a-14(a) or 15d-14 of the Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
99.6	Certification by the Chief Executive Officer of the Registrant pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.7	Certification by the Chief Financial Officer of the Registrant pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.8	Consent of Ernst & Young LLP, PCAOB ID No. 1263
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)



Consolidated Financial Statements

For the years ended October 31, 2024 and 2023
(Stated in thousands of Canadian dollars, except share and per share amounts)

Consolidated Financial Statements for the years ended October 31, 2024 and 2023.

The accompanying audited consolidated financial statements of High Tide Inc. ("High Tide" or the "Company") have been prepared by and are the responsibility of the Company's management and have been approved by the Audit Committee and Board of Directors of the Company.

Approved on behalf of the Board:

(Signed) "Harkirat (Raj) Grover"
President and Chair of the Board

(Signed) "Nitin Kaushal"
Director and Chair of the Audit Committee

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of High Tide Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated statements of financial position of High Tide Inc. (the Company) as of October 31, 2024 and 2023, the related consolidated statements of loss and comprehensive loss, changes in equity and cash flows, for each of the two years in the period ended October 31, 2024, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at October 31, 2024 and 2023, and the results of its operations and its cash flows for each of the two years in the period ended October 31, 2024, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as High Tide Inc.'s auditor since 2020.

Calgary, Canada

January 29, 2025



High Tide Inc.

Consolidated Statements of Financial Position

As at October 31, 2024 and October 31, 2023

(Stated — In thousands of Canadian dollars)

	Notes	2024	2023
		$	$
Assets			
Current assets			
Cash and cash equivalents		**47,267**	30,121
Marketable securities		**712**	141
Trade and other receivables	11	**3,308**	7,573
Inventory	10	**29,338**	25,974
Prepaid expenses and deposits	9	**5,164**	4,836
Total current assets		**85,789**	68,645
Non-current assets			
Property and equipment	7	**27,471**	27,142
Net investment - lease		**-**	179
Right-of-use assets	27	**36,525**	30,643
Long term prepaid expenses and deposits	9	**3,607**	3,307
Intangible assets and goodwill	8	**92,816**	103,485
Total non-current assets		**160,419**	164,756
Total assets		**246,208**	233,401
Liabilities			
Current liabilities			
Accounts payables and accrued liabilities	13	**23,809**	20,902
Deferred revenue		**1,990**	1,361
Interest bearing loans and borrowings	15	**12,891**	16,141
Current portion of notes payable	14	**13,974**	136
Convertible debentures	17	**-**	8,708
Current portion of lease liabilities	27	**8,816**	7,214
Put option liability	12	**-**	3,675
Total current liabilities		**61,480**	58,137
Non-current liabilities			
Notes payable	14	**65**	12,508
Lease liabilities	27	**31,391**	27,823
Deferred tax liability	19	**284**	1,267
Secured Debentures	16	**7,476**	-
Total non-current liabilities		**39,216**	41,598
Total liabilities		**100,696**	99,735
Shareholders' equity			
Share capital	20	**300,643**	288,027
Warrants	22	**4,632**	12,740
Contributed surplus		**40,507**	30,749
Convertible debentures - equity		**-**	717
Accumulated other comprehensive income		**6,848**	5,257
Accumulated deficit		**(209,358)**	(205,934)
Equity attributable to owners of the Company		**143,272**	131,556
Non-controlling interest	30	**2,240**	2,110
Total shareholders' equity		**145,512**	133,666
Total liabilities and shareholders' equity		**246,208**	233,401

Contingent liability (Note 29)
Subsequent events (Note 31)

High Tide Inc.

Consolidated Statements of Loss and Comprehensive Loss

For the years ended October 31, 2024 and 2023

(Stated — In thousands of Canadian dollars, except share and per share amounts)

	Notes	2024	2023
Revenue	6, 25	**522,306**	487,669
Cost of sales		**(379,804)**	(356,355)
Gross profit		**142,502**	131,314
Expenses			
Salaries, wages and benefits		**(65,082)**	(56,798)
Share-based compensation	21	**(2,975)**	(5,034)
General and administration		**(21,836)**	(26,888)
Professional fees		**(7,734)**	(8,350)
Advertising and promotion		**(4,166)**	(4,144)
Depreciation and amortization	7, 8, 27	**(25,393)**	(32,761)
Impairment loss net of recovery	7, 8	**(4,964)**	(34,265)
Interest and bank charges		**(5,349)**	(4,499)
Total expenses		**(137,499)**	(172,739)
Income (loss) from operations		**5,003**	(41,425)
Other income (expenses)			
Gain on extinguishment of financial liability		**79**	-
Gain on extinguishment of put option liability	12	**885**	-
(Loss) gain on revaluation of marketable securities		**(89)**	40
Finance and other costs	18	**(10,058)**	(9,727)
Gain on revaluation of put option liability	12	**657**	1,932
(Loss) gain on revaluation of convertible debentures		**(515)**	505
(Loss) gain on foreign exchange		**(24)**	134
Other (loss) gain		**(342)**	(55)
Total other expenses		**(9,407)**	(7,171)
Loss before taxes		**(4,404)**	(48,596)
Income tax (expense) recovery	19	**(601)**	922
Deferred income tax recovery	19	**1,194**	6,722
Net loss		**(3,811)**	(40,952)
Other comprehensive income (loss)			
Translation difference on foreign subsidiary		**1,591**	2,027
Total comprehensive loss		**(2,220)**	(38,925)
Net income (loss) attributed to:			
Owners of the company		**(4,337)**	(39,310)
Non-controlling interest	30	**526**	(1,642)
		(3,811)	(40,952)
Comprehensive (loss) income attributed to:			
Owners of the company		**(2,968)**	(37,551)
Non-controlling interest		**748**	(1,374)
		(2,220)	(38,925)
Loss per share			
Basic and diluted	23	**(0.05)**	(0.53)

High Tide Inc.

Consolidated Statements of Changes in Equity

For the years ended October 31, 2024 and 2023

(Stated — In thousands of Canadian dollars)

	Note	Share capital	Warrants	Contributed surplus	Equity portion of convertible debt	Accumulated other comprehensive income (loss)	Accumulated deficit	Attributable to owners of the Company	NCI	Total
		$	$	$	$	$	$	$	$	$
Opening balance, November 1, 2022		**279,513**	**15,497**	**23,051**	**717**	**5,665**	**(168,093)**	**156,350**	**5,683**	**162,033**
Acquisition - Jimmy's Cannabis		4,932	-	-	-	-	-	4,932	-	4,932
Acquisition of non-controlling interest - FABCBD		729	-	-	-	-	1,469	2,198	(1,469)	729
Issuance of shares through ATM		2,442	-	-	-	-	-	2,442	-	2,442
Issued to pay fees in shares		278	-	-	-	-	-	278	-	278
Share-based compensation		-	-	5,034	-	-	-	5,034	-	5,034
Share issuance costs		(28)	-	-	-	-	-	(28)	-	(28)
Exercise options		161	-	(93)	-	-	-	68	-	68
Warrants expired		-	(2,757)	2,757	-	-	-	-	-	-
Partner distributions		-	-	-	-	-	-	-	(462)	(462)
Cumulative translation adjustment		-	-	-	-	2,027	-	2,027	-	2,027
Adjustment for foreign exchange on impairment		-	-	-	-	(2,435)	-	(2,435)	-	(2,435)
Net loss for the period		-	-	-	-	-	(39,310)	(39,310)	(1,642)	(40,952)
Balance, October 31, 2023		**288,027**	**12,740**	**30,749**	**717**	**5,257**	**(205,934)**	**131,556**	**2,110**	**133,666**
Opening balance, November 1, 2023										
Issued to pay fees in shares	20	1,331	-	-	-	-	-	1,331	-	1,331
TSX Bond Issuance	20	800	-	-	-	-	-	800	-	800
Purchase of Queen of bud - paid in shares	20	900	-	-	-	-	-	900	-	900
Acquisition of non-controlling interest - NuLeaf	20	-	-	-	-	-	196	196	(196)	-
Issuance of share for settlement of convertible debentures	20	5,025	-	-	-	-	-	5,025	-	5,025
Settlement of Convertible Debenture	16	-	-	-	(192)	-	192	-	-	-
Issuance of shares through ATM	20	3,154	-	-	-	-	-	3,154	-	3,154
Revaluation of Convertible Debt	16	-	-	-	(525)	-	525	-	-	-
Share-based compensation	21	-	-	2,975	-	-	-	2,975	-	2,975
Share issuance costs	20	(97)	-	-	-	-	-	(97)	-	(97)
RSUs vested	20	929	-	(929)	-	-	-	-	-	-
Warrants exercised	22	358	(100)	27	-	-	-	285	-	285
Warrants expired	22	-	(8,008)	8,008	-	-	-	-	-	-
Options exercised		216	-	(105)	-	-	-	111	-	111
Settlement of escrow shares		-	-	(218)	-	-	-	(218)	-	(218)
Cumulative translation adjustment		-	-	-	-	1,591	-	1,591	-	1,591
Partner distributions		-	-	-	-	-	-	-	(200)	(200)
Net loss for the period		-	-	-	-	-	(4,337)	(4,337)	526	(3,811)
Balance, October 31, 2024		**300,643**	**4,632**	**40,507**	**-**	**6,848**	**(209,358)**	**143,272**	**2,240**	**145,512**

	Notes	2024	2023
Operating activities			
Net loss		**(3,811)**	(40,952)
Adjustments for items not effecting cash and cash equivalents			
Income tax expense (recovery)		**601**	(922)
Deferred income tax recovery		**(1,194)**	(6,722)
Accretion expense	18	**4,392**	4,338
Lease investment write-off		**179**	-
Fee for services and interest paid in shares		**-**	278
Depreciation and amortization	7, 8, 27	**25,393**	32,761
Share-based compensation	21	**2,975**	5,034
Gain on extinguishment of financial liability		**(79)**	-
Gain on extinguishment of put option liability	12	**(885)**	-
Loss (gain) on revaluation of marketable securities		**89**	(40)
Gain on revaluation of put option liability	12	**(657)**	(1,932)
Loss (gain) on extinguishment of debenture		**515**	(505)
Loss (gain) on foreign exchange		**24**	(134)
Impairment loss		**4,964**	34,265
Other Gains		**342**	55
Other non-cash adjustments		**(346)**	-
		32,502	25,524
Changes in non-cash working capital			
Trade and other receivables		**4,265**	627
Inventory		**(3,323)**	(2,867)
Prepaid expenses and deposits		**(628)**	2,001
Accounts payables and accrued liabilities		**2,306**	(5,344)
Deferred revenue		**424**	720
Net cash provided by operating activities		**35,546**	20,661
Investing activities			
Purchase of property and equipment	7	**(8,217)**	(5,786)
Purchase of intangible assets	8	**(703)**	(295)
Purchase to obtain right-of-use assets		**(830)**	-
Purchase of marketable securities		**(660)**	95
Business combinations, net of cash acquired	5	**(600)**	270
Net cash used in investing activities		**(11,010)**	(5,716)
Financing activities			
Repayment of interest bearing loans and borrowings		**(3,250)**	(2,925)
Proceeds from interest bearing loans net of issue costs		**-**	2,673
Repayment of notes payable		**(1,172)**	(59)
Repayment of convertible debentures		**(3,512)**	-
Lease liability payments		**(11,705)**	(11,065)
Share issuance costs	20	**(97)**	(28)
Partner distributions		**(200)**	(461)
Proceeds from equity financing through ATM	20	**3,154**	2,442
Warrants exercised	20	**285**	-
Options exercised	20	**52**	161
Proceeds from secured debentures		**8,722**	-
Net cash used in financing activities		**(7,723)**	(9,262)
Effect of foreign exchange on cash		**333**	(646)
Net increase in cash		**17,146**	5,037
Cash and cash equivalents, beginning of period		**30,121**	25,084
Cash and cash equivalents, end of period		**47,267**	30,121

1. Nature of operations

High Tide Inc. (the “Company” or “High Tide”) is a retail-focused cannabis company enhanced by the manufacturing and distribution of consumption accessories. The Company’s shares are listed on the Nasdaq Capital Market (“Nasdaq”) under the symbol “HITI” (listed as of June 2, 2021), the TSX Venture Exchange (“TSXV”) under the symbol “HITI”, and on the Frankfurt Stock Exchange (“FSE”) under the securities identification code ‘WKN: A2PBPS’ and the ticker symbol “2LYA”. The address of the Company’s corporate and registered office is # 112 – 11127 15 Street NE, Calgary, Alberta Canada T3K 2M4.

High Tide does not engage in any U.S. cannabis-related activities as defined by the Canadian Securities Administrators Staff Notice 51-352.

2. Basis of preparation

A. Statement of compliance

These consolidated financial statements ("Financial Statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"). These consolidated financial statements were approved and authorized for issue by the Board of Directors on January 29, 2025.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

B. Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments which are measured at fair value. The accounting policies set out below have been applied consistently by the Company and its wholly owned subsidiaries for the periods presented.

C. Currencies and foreign exchange

The Company’s consolidated financial statements are presented in Canadian dollars, which is the functional and presentation currency of the Company and its Canadian subsidiaries. The functional currency of the Company’s United States (“U.S.”) subsidiaries is the U.S. dollar (“USD”), of the Company’s European subsidiaries is the Euro (“EUR”), and of the Company’s United Kingdom subsidiaries is the British Pound Sterling (“GBP”). Transactions denominated in currencies other than the functional currency are translated at the rate prevailing at the date of transaction. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rate prevailing at each reporting date. Income and expense amounts are translated at the dates of the transactions.

In preparing the Company’s consolidated financial statements, the financial statements of the foreign subsidiaries are translated into Canadian dollars. The assets and liabilities of foreign subsidiaries are translated into Canadian dollars using exchange rates at the reporting date. Revenues and expenses of foreign operations are translated into Canadian dollars using average foreign exchange rates. Translation gains and losses resulting from the consolidation of operations into the Company’s functional currency, are recognized in other comprehensive income in the consolidated statement of loss and other comprehensive loss and as a separate component of shareholders’ equity on the consolidated statement of changes in equity.

D. Basis of consolidation

Subsidiaries are entities controlled by High Tide Inc. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statements of loss and other comprehensive income (loss) from the effective date of acquisition and up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the annual consolidated financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. Intra-group balances and transactions, and any unrealized gains or losses or income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements.

Subsidiaries	Percentage Ownership		Functional Currency
Canna Cabana Inc.	100	%	Canadian Dollar
2680495 Ontario Inc.	100	%	Canadian Dollar
Saturninus Partners GP	50	%	Canadian Dollar
Valiant Distribution Canada Inc.	100	%	Canadian Dollar
META Growth Corp.	100	%	Canadian Dollar
NAC Thompson North Ltd. Partnership	49	%	Canadian Dollar
NAC OCN Ltd. Partnership	49	%	Canadian Dollar
HT Global Imports Inc.	100	%	Canadian Dollar
2049213 Ontario Inc.	100	%	Canadian Dollar
1171882 B.C. Ltd.	100	%	Canadian Dollar
High Tide BV (Grasscity)	100	%	European Euro
Valiant Distribution Inc.	100	%	U.S. Dollar
Smoke Cartel USA, Inc.	100	%	U.S. Dollar
Fab Nutrition, LLC	100	%	U.S. Dollar
Halo Kushbar Retail Inc.	100	%	Canadian Dollar
Nuleaf Naturals LLC	100	%	U.S. Dollar
DHC Supply, LLC	100	%	U.S. Dollar
2629268 Alberta ltd.	87.5	%	Canadian Dollar
DS Distribution Inc.	100	%	U.S. Dollar
Enigmaa Ltd.	80	%	British Pound Sterling

3. Accounting policies

A. Summary of material accounting policies

Cash and cash equivalents

Cash and cash equivalents consist of bank balances, guaranteed investment certificates, and highly liquid short-term investments with a maturity date of 90 days or less which are convertible to known amounts of cash at any time by the Company without penalties.

Inventory

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated on a weighted average cost basis and includes expenditures incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Work-in-progress and finished goods that arise from the extraction process under NuLeaf include raw materials and manufacturing overheads. Manufacturing overheads such as labour and other manufacturing expenditures are allocated based on the normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and costs necessary to make the sale. The Company reviews inventory for obsolete, redundant, and slow-moving inventory items and any such

items are written down to net realizable value. Any write-downs of inventory to net realizable value are recorded in the consolidated statement of loss and other comprehensive loss of the related year.

Property and equipment

Property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. During the construction of leasehold improvements, items are classified as assets under construction. When the asset is available for use, it is transferred from assets under construction to the appropriate category of property and equipment, and depreciation on the item commences.

Depreciation is provided using the following methods at rates intended to depreciate the costs of the assets over their estimated useful lives:

Asset	Method	Useful life
Production Equipment	Straight-line	7 years
Office equipment and computers	Straight-line	3 to 5 years
Leasehold improvements	Straight-line	Term of lease
Vehicles	Straight-line	5 years
Buildings	Straight-line	15 years

When a property and equipment asset includes significant components with different useful lives, each significant component is depreciated separately.

The estimated useful lives and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in the consolidated statement of loss and other comprehensive loss of the related year.

Assets under construction are not ready for use and are not depreciated.

Repairs and maintenance costs that do not improve or extend productive life are recognized in the consolidated statement of loss and other comprehensive loss in the year in which the costs are incurred.

Intangible assets

Intangible assets acquired separately are initially recognized at cost, intangibles assets acquired through a business combination are initially recorded at fair value. Following initial recognition, intangible assets with a finite useful life are recorded at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets with an indefinite useful life are recorded at cost less accumulated impairment losses, if any. The cost of intangible assets acquired in an asset acquisition is initially measured using an allocation of the purchase consideration using a relative fair value approach.

The useful lives of intangible assets are assessed as either finite or indefinite. Amortization of finite life intangible assets is provided, when the intangible asset is available for use, on a straight-line basis over their estimated useful lives.

Intangible asset	Method	Useful life
Software	Straight-line	5 years
Licenses	Straight-line	Remaining term of the lease
Brand names	-	Indefinite life

The estimated useful lives and amortization methods are reviewed at each year-end, and any changes in estimates are accounted for prospectively. Intangible assets not yet available for use are not subject to amortization.

Intangible assets classified by the Company as having indefinite useful lives are comprised of brands from the e-commerce subsidiaries. The Company plans to use the brands for these different e-commerce entities indefinitely, as there is no foreseeable limit to the period over which the brands are expected to generate cash inflows for the Company. Furthermore, the Company will incur future expenditures to maintain these brands in order to maintain the standard of performance for each brand.

Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects to measure the non-controlling interests in the acquiree at proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in transaction costs.

The Company determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date.

Asset acquisitions

Acquisitions that do not meet the definition of a business combination are accounted for as an asset acquisition. Consideration paid for an asset acquisition is allocated to the individual identifiable assets acquired and liabilities assumed based on their relative fair values. Asset acquisitions do not give rise to goodwill.

Goodwill

Goodwill arises on business combinations and is tested for impairment annually or more frequently if events or circumstances indicate that the carrying amount may not be recoverable. Goodwill is initially recognized as the excess of the purchase price over the fair value of the net assets acquired in a business combination. Subsequently, goodwill is measured at cost less accumulated impairment losses. During the year the Company completed its annual impairment tests as of August 1, 2024, which were previously tested as at August 1, 2023.

Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its property and equipment, right-of-use assets, and intangible assets with a finite useful life to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

Goodwill and intangible assets with indefinite useful lives are tested annually and when circumstances indicate that the carrying amount may be impaired.

For impairment testing assets, excluding goodwill, are grouped together into the smallest group of assets, cash generating units ("CGUs"), that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Testing goodwill for impairment is determined by assessing the recoverable amount for each group of CGUs to which the goodwill relates.

An impairment loss is recognized for the amount by which the CGU or group of CGUs carrying amount exceeds its recoverable amount. The recoverable amount of the CGU or group of CGUs is the greater of its value in use and its fair value less costs of disposal

("FVLCD"). Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU or group of CGUs. The FVLCD is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset.

An impairment loss for property and equipment, intangible assets, and leases with a finite useful life 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. Impairment losses relating to goodwill cannot be reversed in future periods.

Revenue recognition

Revenue recognition is based on a 5-step approach, under IFRS 15, which includes identifying the contract with the customer, identifying the performance obligations, determining the individual transaction price, allocating the transaction price to the performance obligations in the contract and recognizing revenue when the relevant performance obligations are satisfied. Revenue is recognized when the entity satisfies the performance obligation upon delivery and acceptance by the customer. Revenue in the consolidated financial statements is disaggregated into cannabis and CBD, consumption accessories, data analytics services, membership revenue and other revenue.

Recognition

The nature, timing of recognition of satisfied performance obligations, and payment terms for the Company's goods and services are described below:

For performance obligations related to merchandise sales, the Company typically transfers control, completes the performance obligation, and recognizes revenue at the point in time when delivery of the items to the customer occurs. Upon delivery the customer can obtain substantially all of the benefits from the items purchased.

For performance obligations related to data analytics contracts, the Company typically satisfies its performance obligations at a point in time, or over time as services are rendered, depending on the obligation and the specifics of the contract.

Identification of performance obligations

Where contracts contain multiple promises for goods or services, management exercises judgement in determining whether goods or services constitute distinct goods or services or a series of distinct goods that are substantially the same and that have the same pattern of transfer to the customer. The determination of a performance obligation affects whether the transaction price is recognized at a point in time or over time. Management considers both the mechanics of the contract and the economic and operating environment of the contract in determining whether the goods or services in a contract are distinct.

Transaction price

In determining the transaction price and estimates of variable consideration, management considers the history of the customer in estimating the goods and services to be provided to the customer as well as other variability in the contract.

Allocation of transaction price to performance obligations

The Company's contracts generally outline a specific amount to be invoiced to a customer associated with each performance obligation in the contract. The Company allocates the transaction price to the individual performance obligations based on their standalone selling price, which is primarily estimated based on the amounts that would be charged to customers under similar market conditions.

Satisfaction of performance obligations

The satisfaction of performance obligations requires management to make judgments as to when control of the underlying good or service transfers to the customer. Determining when a performance obligation is satisfied affects the timing of revenue recognition.

Management considers both customer acceptance of the good or service, and the impact of laws and regulations such as standardshipping practices, in determining when this transfer occurs.

Merchandise sales

Revenue consists of sales to customers through the Company's network of retail stores, e-commerce platforms and through the wholesale distribution arm. Merchandise sales through retail stores are recognized at the time of delivery to the customer, which is generally at the point of sale. Merchandise sales through the Company's e-commerce platforms and wholesale distribution arm are recognized upon date of receipt by the customer. Where the Company arranges the shipping of goods, revenue is recognized on the date of delivery of goods to the customer's location (FOB destination).

Data Analytics revenue

The Company earns revenue by providing data analytics services. The performance obligation is fulfilled when the data and services agreed upon are delivered to the customer. Data analytics revenue is recognized in consolidated statement of loss and other comprehensive loss when earned.

Sales returns

The Company does allow returns. Defective products or products that get damaged upon shipping by the Company are considered for exchanges or refunds. In such cases 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.

Consignment and principal versus agent considerations

IFRS 15 focuses on recognizing revenue as an entity transfers control of a good or service to a customer which could affect how an entity evaluates its position in a transaction as either a principal or an agent. The standard provides that an entity is principal in a transaction if it controls the specified goods or services before they are transferred to the customer.

Drop shipment and principal versus agent considerations

In the merchandise sales transactions completed by some of the e-commerce platforms, the Company utilizes its drop shipment technology to complete the transaction. Drop-shipment allows customers to make a purchase through the Company's e-commerce website which is fulfilled by a third-party supplier. The Company is the principal in the transaction, as the price setting, risks of shipment of the merchandise and provision of refunds are the responsibility of the Company.

Membership revenue

The Company accounts for membership fee revenue, net of refunds, on a deferred basis, ratably over the one-year membership period. The membership fee revenue is recognized when control of the promised goods or services is transferred to the member, which typically occurs over the membership period. The membership period is defined as the period over which the member is entitled to receive the benefits and services associated with their membership.

Taxes

Tax expenses are comprised of current and deferred tax. Tax is recognized in the consolidated statement of loss and other comprehensive loss except to the extent that it relates to items recognized in other comprehensive income (loss) or equity on the statement of financial position.

Current tax

Current tax is calculated using tax rates which are enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to taxation authorities.

Deferred tax

Deferred tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates which are enacted or substantively enacted at the end of the reporting period and are expected to apply when the related deferred tax asset is realized, or the deferred tax liability is settled.

Deferred tax liabilities are generally recognized for all taxable temporary differences, except for temporary differences that arise from goodwill, which is not deductible for tax purposes. Deferred tax liabilities are also recognized for taxable temporary differences arising on investments in subsidiaries except where the reversal of the temporary difference can be controlled, and it is probable that the difference will not reverse in the foreseeable future.

Deferred tax assets are recognized to the extent it is probable that taxable profits will be available against which the deductible balances can be utilized. All deferred tax assets are analyzed at each reporting period and reduced to the extent that it is no longer probable that the asset will be recovered. Deferred tax assets and liabilities are not recognized with respect to temporary differences that arise on initial recognition of assets and liabilities acquired other than in a business combination.

Share-based payments

The fair value of stock options and restricted share units (“RSU”), here-after referred to collectively as “options”, issued to directors, employees and consultants under the Company’s “Ominibus plan” are estimated at the date of issue using the Black-Scholes option pricing model, and charged to consolidated statement of loss and other comprehensive loss and contributed surplus over their relevant vesting period. Each tranche in an award is considered a separate award with its own vesting period and grant date fair value.

On the exercise of options, the cash consideration received and the fair value of the option previously credited to contributed surplus are credited to share capital.

The fair value of options issued to advisors in conjunction with financing transactions is estimated at the date of issue using the fair value of the goods and services received first, if determinable, then by the Black-Scholes option pricing model, and charged to share capital and contributed surplus over the vesting period. On the exercise of advisor options, the cash consideration received and the fair value of the option previously credited to contributed surplus are credited to share capital.

Where options are cancelled, it is treated as if the options had vested on the date of cancellation and any expense not yet recognized for the award is recognized immediately. However, if a new option is substituted for the cancelled option and is designated as a replacement option on the date that it is granted, the cancelled and the new options are treated as if they were a modification of the original option.

Option pricing models require the input of assumptions, including the expected price volatility. Changes in these assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable single measure of the fair value of the Company’s share purchase options. Forfeitures are estimated for each reporting period and adjusted as required to reflect actual forfeitures that have occurred in the period.

Loss per share

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of common shares outstanding during the year.

A diluted loss per share is calculated by dividing the losses of the Company by the weighted average number of common shares outstanding, adjusted for the effects of all dilutive potential common shares. The weighted average number of common shares outstanding is increased by the total number of additional common shares that would have been issued by the Company assuming exercise of all convertible equity instruments with exercise prices below the average market price for the year.

Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. The operating results of all operating segments for which discrete financial information is available are reviewed regularly

by the Chief Operating Decision Maker ("CODM"), the Company's executive management, to make decisions about resources to be allocated to the segments and assess their performance. Segment results that are important to executive management generally include items directly attributable to a segment.

Leases

At the lease possession date, the Company recognizes a lease liability reflecting its obligation for future lease payments and a right of use asset representing its right to use the underlying asset.

Right of use assets are presented in the consolidated statement of financial position and are measured at cost, less any accumulated amortization and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right of use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right of use assets are amortized on a straight-line basis over the lease term. The Company also assesses the right of use asset for impairment when such indicators exist.

Lease liabilities are presented in the consolidated statement of financial position and are measured at the present value of future lease payments discounted at the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments and variable lease payments that are based on an index or rate. Accretion expense is recognized on lease liabilities using the effective interest method.

Leases that are subleased to a third party are presented on the statement of financial position as a net investment lease. Upon entering into a sublease agreement, the Company immediately de-recognizes the related right of use asset and recognizes a net investment lease. Net investment leases are measured at cost, which includes the present value of the lease at the time of inception of the sublease. Any differences between the right of use asset and the net investment lease are recognized in the statement of consolidated loss and other comprehensive loss. Lease income related to the sublease is recognized in the consolidated statement of loss and comprehensive loss.

The Company has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognizing a right-of-use-asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

All financial instruments are required to be measured at fair value on initial recognition, and subsequently, measured at FVTPL or amortized cost. In the case of financial assets and financial liabilities not measured at FVTPL, transaction costs, that are directly attributable to the acquisition or issuance of the financial asset or financial liability are offset against the respective financial asset or financial liability. All other transaction costs are expensed in profit or loss.

Classification and Measurement

The following table summarizes the classification of the Company's financial instruments under IFRS 9 Financial Instruments ("IFRS 9")

Financial Instrument	IFRS 9 Classification and measurement
Cash and cash equivalents	Amortized cost
Marketable securities	FVTPL
Trade and other receivables	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Notes payable	Amortized cost
Convertible debentures	Amortized cost
Put option liability	FVTPL
Interest bearing loans and borrowings	Amortized cost
Secured Debentures	Amortized cost

Financial assets

Based on the Company's assessment of its business model and for the purposes of subsequent measurement, financial assets are classified into two categories:

- The Company's cash and cash equivalents and trade and other receivables are subsequently measured at amortized cost. These are assets that are held within a business model where the objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- The Company's marketable securities are subsequently measured at fair value through consolidated statement of loss and comprehensive loss. These are assets that are held within a business model where the objective is to hold assets to generate capital appreciation on the investments. The eventual cash flows will comprise of cost and gain or loss on the market value of the investment.

The Company reclassifies financial assets when and only when its business model for managing those assets changes. Financial assets are derecognized when the rights to receive cash flows from the financial asset have expired or when the Company has transferred its rights to receive cash flows from the financial asset.

Financial liabilities

The classification of financial liabilities is determined by the Company at initial recognition. The classification categories are as follows:

- The Company's accounts payables and accrued liabilities are measured at amortized cost.

- The Company's convertible debenture and notes payable are subsequently measured at amortized cost using the effective interest method. Interest and accretion expense is recognized in the consolidated statement of loss and comprehensive loss.

- Put Options represent a non-derivative financial liability, which is remeasured each reporting period with changes in put option value recorded within 'gain (loss) on revaluation of put option' on the consolidated statements of loss.

- The Company's secured debentures are measured at amortized cost using effective interest. Interest and accretion expense is recognized in the consolidated statement of loss and comprehensive loss.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of loss and comprehensive loss. Financial liabilities are not reclassified.

Impairment of Financial Assets

At each reporting date, the Company assesses whether a financial asset or group of financial assets is impaired under the expected credit loss ("ECL") model. For financial assets measured at amortized cost, the ECL model requires entities to account for expected credit losses on financial assets at the date of initial recognition, and to account for changes in expected credit losses at each reporting date to reflect changes in credit risk.

The loss allowance for a financial asset is measured at an amount equal to the lifetime expected credit loss if its credit risk has increased significantly since initial recognition, or if the financial asset is a purchased or originated credit-impaired financial asset. If the credit risk on a financial asset has not increased significantly since initial recognition, its loss allowance is measured at an amount equal to the 12-month expected credit loss.

The Company measures its trade receivables using the simplified approach. Therefore, the Company does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix based on its historical credit loss experience adjusted for forward-looking information including household consumption and consumer price indices, as well as real gross domestic product. The Company also contemplates the grouping of receivables into various customer segments that have similar loss patterns (e.g. by geography).

The Company uses the general approach to measure the expected credit loss for certain loans receivable and lease receivables. ECLs are measured based all possible default events over the expected life of a financial instrument ("lifetime ELCs").

B. Current accounting policy changes

Disclosure of material accounting policies

Amendments to IAS 1 issued in January 2020 and October 2022 require entities to disclose material accounting policies, effective January 1, 2023. The Company reviewed its accounting policies in the consolidated financial statements dated October 31, 2023, and determined which policies are "material accounting policies" under the revised standards. The material accounting policies are disclosed in Note 3 of these financial statements.

For October 31, 2024, the Company has disclosed the material accounting policies in Note 3 of these consolidated financial statements.

Classification of Liabilities as Current or Non-current - Amendments to IAS 1

Amendments to IAS 1 issued in January 2020 and October 2022, effective January 1, 2024, clarify the classification of liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The Board clarified that an entity's right to defer settlement of a liability, subject to future covenants, is considered valid even if the entity does not comply with those covenants at the reporting period's end. The amendments also specify that the right must exist at the end of the reporting period, regardless of when the lender tests compliance.

Management expectations

IAS 1.75A has been added to clarify that the 'classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period'. That is, management's intention to settle in the short run does not impact the classification. This applies even if the settlement has occurred when the financial statements are authorized for issuance.

Meaning of the term 'settlement'

The Board added two new paragraphs (paragraphs 76A and 76B) to IAS 1 to clarify what is meant by 'settlement' of a liability. The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity.

Settlement by way of an entity's own equity instruments is considered settlement for the purpose of classification of liabilities as current or non-current, with one exception.

In cases where a conversion option is classified as a liability or part of a liability, the transfer of equity instruments would constitute settlement of the liability for the purpose of classifying it as current or non-current. Only if the conversion option itself is classified as an equity instrument would settlement by way of own equity instruments be disregarded when determining whether the liability is current or non-current.

While the amendment will impact the Company, the Company has elected not to be an early adopter. The Company is in the process of assessing the impact of these changes.

4. Significant accounting judgement, estimates and assumptions

The preparation of these consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, and shareholders' equity at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The estimates and assumptions are reviewed on an ongoing basis. Revisions in accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

A. Use of significant estimates

Significant accounting estimates are those that require management to make assumptions about matters that are highly uncertain at the time the estimate or assumption is made. Significant accounting estimates are also those that could potentially have a material impact on the Company's financial results where a different estimate or assumption is used. The significant areas of estimation uncertainty are:

Expected credit losses

The Company's trade receivables are typically short-term in nature and the Company recognizes an amount equal to the lifetime expected credit losses ("ECL"). The Company measures lifetime ECLs based on historical experience and including forecasted economic conditions. The amount of ECLs is sensitive to changes in circumstances of forecast economic conditions.

Inventory valuation

Inventory is carried at the lower of cost and net realizable value; in estimating net realizable value, the Company makes estimates related to obsolescence, future selling prices, seasonality, customer behavior, and fluctuations in inventory levels.

Business combinations

In a business combination, all identifiable assets, liabilities and contingent liabilities acquired are recorded at their fair values. One of the most significant estimates relates to the determination of the fair value of these assets and liabilities such as intangible assets and goodwill. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent valuation expert or management develop the fair value, using valuation techniques, which are generally based on a forecast of the total expected future cash flows. The valuations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and the discount rate applied. Certain fair values may be estimated at the acquisition date pending confirmation or completion of the valuation process. When provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods. However, the measurement period will last for up to one year from the acquisition date.

Taxation

The calculations for current and deferred taxes require management's interpretation of tax regulations and legislation in the various tax jurisdictions in which the Company operates, which are subject to change. The measurement of deferred tax assets and liabilities requires estimates of the timing of the reversal of temporary differences identified and management's assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income before they expire, which involves estimating future taxable income.

The Company is subject to assessments by various taxation authorities in the tax jurisdictions in which it operates, and these taxation authorities may interpret the tax legislation and regulations differently. In addition, the calculation of income taxes involves many complex factors. As such, income taxes are subject to measurement uncertainty and actual amounts of taxes may vary from the estimates made by management.

Deferred tax assets

Deferred tax assets, including those arising from tax loss carry-forwards, require management to assess the likelihood that the Company will generate sufficient taxable income in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

Impairments

The recoverable amounts of a Cash Generating Unit ("CGU") and individual assets have been determined as the higher of the CGU or the asset's fair value less costs to sell and its value in use. These calculations require the use of estimates and assumptions and are subject to changes, as new information becomes available including information on the likelihood of obtaining future licenses, total addressable market, market share escalation factor, gross margin escalation factor, terminal multiple and discount rates. Changes in assumptions used in determining the recoverable amount could affect the carrying value of the related assets and CGU's.

B. Judgements

Judgement is used in situations when there is a choice and/or assessment required by management. The following are critical judgements apart from those involving estimations, that management has made in the process of applying the Company's accounting policies and that have a significant effect on the amounts recognized in the consolidated financial statements.

Determination of CGUs

For the purposes of assessing impairment of non-financial assets, the Company must determine CGUs. Assets are allocated to CGUs based on the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Determination of what constitutes a CGU is subject to management judgement. The asset composition of a CGU can directly impact the recoverability of assets included within the CGU. The determination of the Company's CGUs was based on management's judgement in regards to the generation of cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. For the Company, this is store level for bricks and mortar retail sales and subsidiaries for e-commerce.

For the purposes of assessing impairment for goodwill, the Company groups CGUs on the basis of which CGUs utilize and benefit from the goodwill acquired in the business combinations. For the Company, this includes all bricks & mortar retail as one CGU and subsidiaries for e-commerce as one CGU.

Estimated useful lives, residual values and depreciation of property and equipment

Depreciation of property and equipment is dependent upon estimates of useful lives and residual values, which are determined through the exercise of judgement.

Estimated useful lives of intangibles

Amortization of intangible assets is dependent upon estimates of useful lives, lease terms and residual values which are determined through the exercise of judgement.

Fair value of financial instruments

The individual fair values attributed to different components of a financing transaction are determined using valuation techniques. The Company uses judgement to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine; (a) the values attributable to each component of a transaction at the time of their issuance; (b) the fair value measurement for certain instruments that require subsequent measurement at fair value on a recurring basis; and (c) for disclosing the fair value of financial instruments subsequently carried at amortized cost. These valuation estimates could be significantly different because of the use of judgement and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

Consolidation

The determination of which entities require consolidation is subject to management judgement regarding levels of control, assumptions of risk and other factors that may ultimately include or exclude an entity from the classification of a subsidiary or other entity requiring consolidation.

5. Business combinations

In accordance with IFRS 3, Business Combinations, these transactions meet the definition of a business combination and, accordingly, the assets acquired, and the liabilities assumed have been recorded at their respective estimated fair values as of the acquisition date.

A. Cantopia (Millcreek) acquisition

On June 25, 2024, the Company closed the acquisition of 100% of one retail cannabis store previously operated by Cantopia at 6400 Millcreek Drive, Mississauga, Ontario. Pursuant to the terms of the Arrangement, the consideration was comprised of $600 in cash with 25% of the purchase price withheld in escrow for one year after the date of the agreement to cover potential post-closing adjustments.

In accordance with IFRS 3, Business Combinations (“IFRS 3”), the substance of this transaction constituted a business combination. The purchase price was allocated based on the Company’s estimated fair value of the identifiable net assets acquired on the acquisition date. Management finalized its purchase price allocation for the fair value of identifiable intangible assets, income taxes and the allocation of goodwill. The goodwill is primarily related to the opportunities to grow the business, expanded access to capital and greater financial flexibility. Goodwill is not deductible for tax purposes. For the year ended October 31, 2024, Cantopia accounted for $450 in revenues and $70 in net loss.

Total consideration	**$**
Cash	600
	600
Purchase price allocation	
Leasehold improvements	50
Office equipment and computers	6
Right of use asset	292
Inventory	41
License	4
Goodwill	499
Lease liability	(292)
	600

B. Jimmy's Cannabis acquisition (prior year)

On December 29, 2022, the Company closed the acquisition of 100% of the equity interest of 1171882 B.C. Ltd., operating as Jimmy's Cannabis Shop BC ("Jimmy's") which operates two retail cannabis stores in British Columbia. Pursuant to the terms of the Arrangement, the consideration was comprised of 2,595,533 common shares of the Company having an aggregate value of (i) $4,932 in shares and (ii) working capital adjustment of $352.

In accordance with IFRS 3, Business Combinations ("IFRS 3"), the substance of this transaction constituted a business combination. The purchase price was allocated based on the Company's estimated fair value of the identifiable net assets acquired on the acquisition date. Management finalized its purchase price allocation for the fair value of identifiable intangible assets, income taxes and the allocation of goodwill. The goodwill is primarily related to the opportunities to grow the business, expanded access to capital and greater financial flexibility. Goodwill is not deductible for tax purposes. For the year ended October 31, 2023, Jimmy's accounted for $4,660 in revenues and $203 in net loss.

Total consideration	**$**
Common Shares	4,932
Working Capital Adjustment	352
	5,284

Purchase price allocation	
Cash	622
Inventory	308
Prepaid expenses	11
Property, plant and equipment	111
Right of use asset	129
Intangible assets - business license rights	1,487
Goodwill	3,416
Accounts payable and accrued liabilities	(318)
Lease liabilities	(130)
Income tax payables	(110)
Deferred tax liability	(242)
	5,284

6. Revenue from contracts with customers

For the year ended October 31	**2024** **Bricks and Mortar**	2023 Bricks and Mortar	**2024** **E-commerce**	2023 E-commerce	**2024** **Total**	2023 Total
	$	$	**$**	$	**$**	$
Primary geographical markets [(i)]						
Canada	**484,444**	431,694	**-**	-	**484,444**	431,694
USA	**-**	-	**36,061**	52,780	**36,061**	52,780
International	**-**	-	**1,801**	3,195	**1,801**	3,195
Total revenue	**484,444**	431,694	**37,862**	55,975	**522,306**	487,669
Major products and services						
Cannabis and CBD products	**435,642**	394,411	**17,150**	22,101	**452,792**	416,512
Consumption accessories	**12,764**	9,953	**20,037**	33,791	**32,801**	43,744
Data analytics, advertising and other revenue	**36,038**	27,330	**675**	83	**36,713**	27,413
Total revenue	**484,444**	431,694	**37,862**	55,975	**522,306**	487,669
Timing of revenue recognition						
Transferred at a point in time	**484,444**	431,694	**37,862**	55,975	**522,306**	487,669
Total revenue	**484,444**	431,694	**37,862**	55,975	**522,306**	487,669

(i) Represents revenue based on geographical locations of the customers who have contributed to the revenue generated in the applicable segment.

During the fiscal year 2024, the Company changed segment allocation and reporting, see Note 25.

7. Property and equipment

	Office equipment and computers	Production equipment	Leasehold improvements	Vehicles	Buildings	Total
Cost	$	$	$	$	$	$
Opening balance, November 1, 2022	4,514	2,915	38,351	37	2,800	48,617
Additions	1,068	-	4,718	-	-	5,786
Additions from business combinations	-	-	111	-	-	111
Transfers	-	-	(775)	-	775	-
Impairment loss[ii]	-	-	(126)	-	-	(126)
Foreign currency translation	157	944	54	1	-	1,156
Balance, October 31, 2023	5,739	3,859	42,333	38	3,575	55,544
Additions[i]	970	-	7,110	2	135	8,217
Additions from business combinations	6	-	50	-	-	56
Foreign currency translation	(38)	-	(17)	-	-	(55)
Balance, October 31, 2024	**6,677**	**3,859**	**49,476**	**40**	**3,710**	**63,762**
Accumulated depreciation						
Opening balance, November 1, 2022	2,131	486	14,230	14	273	17,134
Depreciation	992	539	8,820	1	217	10,569
Foreign currency translation	44	604	51	-	-	699
Balance, October 31, 2023	3,167	1,629	23,101	15	490	28,402
Depreciation	844	584	6,175	-	222	7,825
Foreign currency translation	7	-	57	-	-	64
Balance, October 31, 2024	**4,018**	**2,213**	**29,333**	**15**	**712**	**36,291**
Balance, October 31, 2023	2,572	2,230	19,232	23	3,085	27,142
Balance, October 31, 2024	**2,659**	**1,646**	**20,143**	**25**	**2,998**	**27,471**

(i) As at October 31, 2024, the Company had a balance of $1,199 (October 31, 2023 - $711) in assets under construction, largely related to cannabis retail locations not yet in operations.
(ii) The Company assessed leasehold improvements for impairment due to store closures or lease term expirations and noted $nil (October 31, 2023 - $126) impairment.

8. Intangible assets and goodwill

	Software	Licenses	Brand name	Goodwill	Total
Cost	**$**	**$**	**$**	**$**	**$**
Opening balance, November 1, 2022	10,659	44,782	32,573	83,419	171,433
Additions	273	-	22	-	295
Additions from business combinations	-	1,487	-	3,416	4,903
Impairment loss	-	-	(23,257)	(10,292)	(33,549)
Foreign currency translation	378	-	(390)	(340)	(352)
Balance, October 31, 2023	11,310	46,269	8,948	76,203	142,730
Addition/(disposal)[(i)]	603	(125)	1,000	(96)	1,382
Addition from business combinations	-	4	-	499	503
Impairment loss net of recovery	-	-	(1,497)	(3,467)	(4,964)
Foreign currency translation	73	-	134	234	441
Balance, October 31, 2024	**11,986**	**46,148**	**8,585**	**73,373**	**140,092**
Accumulated depreciation					
Opening balance, November 1, 2022	4,082	21,861	-	-	25,943
Amortization	2,131	11,093	-	-	13,224
Foreign currency translation	78	-	-	-	78
Balance, October 31, 2023	6,291	32,954	-	-	39,245
Amortization	2,168	5,705	142	-	8,015
Foreign currency translation	16	-	-	-	16
Balance, October 31, 2024	**8,475**	**38,659**	**142**	**-**	**47,276**
Balance, October 31, 2023	5,019	13,315	8,948	76,203	103,485
Balance, October 31, 2024	**3,511**	**7,489**	**8,443**	**73,373**	**92,816**

(i) During the period ended October 31, 2024, the Company purchased the Queen of Bud brand for consideration of $00 in cash and $900 in common shares.

Goodwill

The carrying values of goodwill are tested for impairment annually. During the year the Company completed its annual impairment tests as of August 1, 2024, which was previously tested as of August 1, 2023, and has included a summary of key inputs below for each cash generating units ("CGU") to which goodwill has been allocated. Management performs a review of impairment indicators as of October 31, 2024, to determine if additional testing is required, no such indicators were present at year end.

For all impairment tests performed for the year ended October 31, 2024, the Company completed the testing using the FVLCD. The fair value calculation requires level 3 inputs such as forecasted future cashflows of the Company's CGU over a period of five years, growth rate percentages and terminal growth rates.

The Company completed impairment testing over the group of CGUs to which goodwill had been allocated. Goodwill arising from business combinations is allocated either to the bricks and mortar retail locations CGUs or to e-commerce retail subsidiaries CGUs, as each group of CGUs benefit from synergies created through these business combinations based on whether they are retail locations or e-commerce platforms.

Included in the CGU group for bricks and mortar are all retail locations including the Cantopia (Millcreek) acquisition. Total goodwill allocated to this group of CGUs for the year ended October 31, 2024 is $58,641 (October 31, 2023: $58,298)

Included in the CGU group for e-commerce are all of the e-commerce subsidiaries. With the reduction caused by the impairment, the goodwill remaining that is allocated to this group of CGUs for the year ended October 31, 2024 is $14,732 (October 31, 2023 $17,905).

Bricks & mortar retail

The recoverable amount of the group of CGUs included in bricks and mortar retail, was determined based on a FVLCD model. The model was built using 5-year cash flows projections expected to be generated based on historical performance, financial forecasts, and growth expectations. For the first year, revenues were forecasted based on actual operating results as well as industry and market trends. Revenue for years after the first year are forecasted at a growth rate of 2%; Cash flows beyond 5 years used a terminal growth rate of 2%; and Cash flows were discounted at an after-tax discount rate of 14% based on a market participant weighted average cost of capital. If the discount rate was to increase by 1% to 15%, the recoverable amount would decrease by $15,428. If forecasted revenue growth rate was decreased by 1% to 1%, the recoverable amount would decrease by $5,304.

As a result of the impairment test performed, the recoverable amount was determined to be higher than the carrying value of the group of CGUs, which did not result in an impairment (2023 - $nil).

E-commerce retail

The recoverable amount of the e-commerce aggregate group of CGUs was determined based on a FVLCD model. The recoverable amount of the e-commerce aggregated group of CGU's was determined using 5-year cash flows projections expected to be generated based on historical performance, financial forecasts, and growth expectations. For the first year, revenues were forecasted based on actual operating results as well as industry and market trends. Revenue for the years after the first year are forecasted at a growth rate of 2% for the initial 2 years and then 5% for 3 years. Cash flows beyond 5 years used a terminal growth rate of 2%; and Cash flows were discounted at an after-tax discount rate of 15% based on a market participant weighted average cost of capital. If the discount rate was to increase by 2% to 17%, the recoverable amount would decrease by $3,499. If forecasted revenue was decreased by 2% for 2 years to 0% and 5% for 3 years to 0%, the recoverable amount would decrease by $5,320.

As a result of the impairment test performed, the recoverable amount was determined to be less than the carrying value of the group of CGUs, which resulted in an impairment of $3,467 (2023 - $10,292). The most sensitive inputs to the fair value model are the revenue growth rate and discount rate.

Indefinite life intangible assets

The Company performed impairment testing over indefinite life intangible assets, assets which consists of brand intangibles for it's e-commerce entities. The recoverable amount was determined based on a revenue royalty rate model. Revenues and discount rate used in the models were based on the same assumptions noted above for the e-commerce retail CGU by entity.

	Impairment loss (recovery)	
Brands	2024	2023
	$	**$**
Blessed CBD	215	2,772
Daily High Club	1,941	33
DankStop	39	769
FABCBD	—	7,257
GC	682	749
Nuleaf [(i)]	(2,000)	8,796
Smoke Cartel	620	2,881
Total	1,497	23,257

(i) During the completion of the impairment tests performed on August 1, 2024, the Company noted that due to changes in the operations of NuLeaf Naturals indicators of recovery of impairment recognized on the brand intangible was observed. Using a revenue royalty rate model, the Company concluded that a recovery of $2,000 of previously recognized impairment existed. The recovery has been included net of impairment losses in the consolidated statement of loss and comprehensive loss.

Finite life intangible assets

For the year ended October 31, 2024, the Company performed indicator assessments over CGUs with property and equipment, right-of-use assets, and finite intangible assets, which was all retail locations CGUs.

The Company did not identify any indicator of potential impairment for retail location CGUs.

9. Prepaid expenses and deposits

As at	**October 31, 2024**	October 31, 2023
	$	$
Deposits on cannabis retail outlets	**3,026**	1,640
Prepaid insurance and other	**2,384**	3,847
Prepayment on inventory	**3,361**	2,656
Total	**8,771**	8,143
Less current portion	**(5,164)**	(4,836)
Long-term	**3,607**	3,307

10. Inventory

As at	**October 31, 2024**	October 31, 2023
	$	$
Finished goods	**28,871**	25,470
Work in process	**25**	16
Raw materials	**775**	626
Provision for obsolescence	**(333)**	(138)
Total	**29,338**	25,974

11. Trade and other receivables

As at	**October 31, 2024**	October 31, 2023
	$	$
Trade account receivable	**3,833**	8,109
Allowance for doubtful accounts	**(525)**	(536)
Total	**3,308**	7,573

12. Put option liability

As at	**October 31, 2024**	October 31, 2023
Blessed put option liability [(i)]	**-**	1,490
Nuleaf put option liability [(ii)]	**-**	2,185
Total put option liability	**-**	3,675

(i) On October 19, 2021, the Company acquired 80% of the outstanding shares of Blessed CBD. The acquisition agreement also included a call and put option that could result in the Company acquiring the remaining 20% of common shares of Blessed CBD not acquired upon initial acquisition. The put option is valued based on the 12 trailing months of sales times a pre-determined multiple of 2.2 times. The initial obligation under the put option was valued at $4,323. During the year ended October 31, 2024, the Company revalued the fair value of the put option and recognized an unrealized gain of $605 (October 31, 2023: $1,409 unrealized gain) in the consolidated statement of comprehensive loss. The put option expired of October 18, 2024. No communication was received regarding the exercise of the option and thus no further obligations or rights remain under the terms of the option agreement. The Company recognized $885 gain on the extinguishment of the put option liability.

(ii) On November 29, 2021, the Company acquired 80% of the outstanding shares of NuLeaf. The acquisition agreement also included a call and put option that could result in the Company acquiring the remaining 20% of common shares of NuLeaf not acquired upon initial acquisition. The initial obligation under the put option was valued $8,326. During the year ended October 31, 2024, the Company revalued the fair value of the put option and recognized an unrealized gain of $52 (October 31, 2023: $489 unrealized gain), in the consolidated statement of net loss and comprehensive loss. On May 29, 2023, the Company received a notice to exercise the put option related to NuLeaf and purchase the remaining 20% ownership of NuLeaf which has been settled as of April 2, 2024.

13. Accounts payables and accrued liabilities

As at	**October 31, 2024**	October 31, 2023
	$	$
Accounts payable	**8,055**	8,353
Accrued liabilities	**9,752**	8,486
Income tax payable	**1,659**	1,631
Sales tax payable	**4,343**	2,432
Total	**23,809**	20,902

14. Notes payable

As at	**October 31, 2024**	October 31, 2023
	$	$
Notes payable [(ii)] [(iii)]	**13,974**	12,429
Other [(i)]	**65**	215
Total	**14,039**	12,644
Less current portion	**(13,974)**	(136)
Long-term obligation	**65**	12,508

(i) During the year ended October 31, 2024, the Company incurred interest on other notes payable in the amount of $0 (October 31, 2023: $nil) in relation to the notes payable. The Company made total payment on other notes payables for $111 (October 31, 2023: $nil)

(ii) During the year ended October 31, 2024, the Company entered into a non-interest bearing note payable with former minority owners of Nuleaf to settle the exercise of the put option (see Note 12). The note payable was entered into on April 2, 2024, in the amount of $1,878 for a period of 15 months months. During the year ended October 31, 2024, the Company incurred accretion expense in the amount of $180 (October 31, 2023: $nil). The Company made total payment $1,001 (October 31, 2023: $nil)

(iii) On November 18, 2020, the Company acquired all of the issued and outstanding shares of Meta which included a note payable to Opaskwayak Cree Nation ("OCN"). The note payable was valued at $12,783 at the date of acquisition by discounting it overtwo years at market interest rate of 15%. On January 6, 2021, the Company entered into another amended loan agreement with OCN to remove the annual administration fee and extend the maturity date of the loan until December 31, 2024. During the year ended October 31, 2024, the Company incurred interest in the amount of $1,301 (October 31, 2023: $1,300) and accretion of $509 (October 31, 2023: $112) in relation to the outstanding loan. The Company made total payment $60 (October 31, 2023: $59)

15. Interest bearing loans and borrowings

As at	**October 31, 2024**	October 31, 2023
	$	$
Connect First loan	**12,891**	16,141
Total	**12,891**	16,141

On August 15, 2022, the Company entered into a $19,000 demand term loan with Connect First credit union (the "Credit Facility") with Tranche 1 - $12,100 available in a single advance, and Tranche 2 - $6,900 available in multiple draws subject to pre-disbursement conditions set. The demand loan bears interest at the Credit Union's prime lending rate plus 2.5% per annum and is set to mature on September 5, 2027.

Tranche 1, is repayable on demand, but until demand is made this Credit Facility shall be repaid in monthly blended payments of principal and interest of $241. Blended payments may be adjusted from time to time, if necessary, on the basis of the Credit Union's Prime Lending Rate and the principal outstanding. The Company received the inflow on October 7, 2022. The balance at the end of the October 31, 2024 is $8,238 (October 31, 2023: $10,224).

Tranche 2, is repayable on demand, but until demand is made this Credit Facility shall be repaid in monthly blended payments of principal and interest of $147. Blended payments may be adjusted from time to time, if necessary, on the basis of Prime, the principal outstanding and the amortization period remaining, the Company received the inflow on October 25, 2022. The Company received the remaining $2,673 on March 8, 2023. The balance at the end of the year ended October 31, 2024 is $4,653 (October 31, 2023: $5,917).

Attached to the loan is a general security agreement comprising a first charge security interest over all present and after acquired personal property, registered at Personal Property Registry for the assets of Canna Cabana Inc., Meta Growth Corp., 2680495 Ontario Inc., Valiant Distribution Canada Inc., High Tide USA Inc., Smoke Cartel USA Inc., DHC Supply LLC., DS Distribution Inc., Enigmaa Ltd., High Tide Inc. BV., SJV2 BV., SJV BV o/a Grasscity., and a limited recourse guarantee against $5,000 worth of High Tide Inc. shares held by Harkirat Singh Grover, and affiliates, to be pledged in favor of the Connectfirst.

During the years ended, October 31, 2024, the Company incurred interest of $1,408 (October 31, 2023: $1,497) and paid $3,250 (October 31, 2023: $2,925) as principal in relation to the outstanding interest bearing loans and borrowings.

Covenants attached to the loan:

(i) The Company's debt service coverage ratio shall be not less than1.4:1, to be tested at the end of each fiscal quarter of the Company based on a trailing four-quarters basis using consolidated financial statements. As of October 31, 2024, the Company was in compliance with the debt service coverage ratio.

(ii) The Company shall at all times maintain in the Company's account with connectFirst the greater of $7,500 and 50% of the aggregate debt of the Company to connectFirst. A five-business day cure period is permitted. Included in the cash and cash equivalents is $7,900 held in the Company's account with connectFirst.

(iii) The Company shall at all times maintain a current ratio of not less than1.3:1, to be tested monthly using consolidated financial statements. As at October 31, 2024, the Company was in compliance with the current ratio.

(iv) The Company shall at all times maintain a funded debt to EBITDA ratio of not more than3:1, to be tested quarterly on a consolidated basis beginning January 31, 2023. As of October 31, 2024, the Company was in compliance with the funded debt to EBITDA ratio.

As at October 31, 2024, the Company has met all the covenants attached to the loan.

16. Secured Debentures

As at	**October 31, 2024**	October 31, 2023
	$	$
Face value of secured debenture	**10,000**	-
Discount of 10%	**(1,000)**	-
Issuance fees	**(1,677)**	-
Accretion expense	**89**	-
Amortization of Issuance fees	**64**	-
Total	**7,476**	-

On July 31, 2024, the Company issued $10,000 of bond debentures at a 10% discount, for net cash proceeds of $8,700 with 12% coupon rate. There are three parties subscribed to the initial bond offering. The bonds were issued and cash was received by the Company on August 7, 2024 with a maturity of 5 years. In connection with the bond issuance, the Company issued 230,760 shares for consideration of $800 for issuance cost. This secured debenture is subject to the same covenants as the Connect First loan, with which the Company remains in full compliance.

During the year ended October 31, 2024, the Company incurred interest in the amount of $803 (October 31, 2023: $nil) and accretion expense (including amortization of issuance fees) in the amount of $153 (October 31, 2023: $nil) In addition, the Company recorded amortization of transaction costs of $65 (October 31, 2023 - $nil)

17. Convertible debenture

As at	**October 31, 2024**	October 31, 2023
	$	$
Convertible debentures, beginning of period	**8,708**	7,466
Settlement of convertible debenture in equity	**(5,025)**	-
Repayment of convertible debenture	**(3,512)**	-
Settlement of convertible debenture in services	**(182)**	(505)
Other settlement of convertible debenture	**(182)**	-
Accretion on convertible debentures	**193**	1,747
Total	**-**	8,708

On November 28, 2018, the Company entered into an agreement for a brokered private placement for the sale of up to 20,000 unsecured convertible debentures of the Company, at a price of $1 per debenture for gross proceeds of up to $20,000. The debentures bear interest at a rate of 8.5% per annum, payable on the last business day of each calendar quarter. The debentures are convertible to common shares of the Company at a price of $0.75 pre-consolidation ($11.25 post-consolidation) per common share and mature two years from the closing of the offering. The first closing occurred on December 13, 2018 issuing 11,330 debentures at a price of $1 per debenture for gross proceeds of $11,330. The Company incurred $618 in issue costs in relation to the first closing which included the 504,733 broker warrants valued at $93 using Black-Scholes model. Each broker warrant is exercisable for one common share of the Company at a price of $0.75 per share until December 11, 2020. Management calculated the fair value of the liability component as $8,907 using a discount rate of 22%, with the residual amount of $2,422 net of deferred tax of $654 being allocated to the conversion feature recorded in equity. The Company incurred $618 in debt issuance cost, $486 was allocated to allocated to the conversion feature recorded in equity.

On July 24, 2020, the Company entered into a debt restructuring agreement of $10,808 of the Company's outstanding debt held by a key industry investor under an 8.5% senior unsecured convertible debenture issued in December 2018. The Company agreed to pay to the key investor certain structured installment payments over a period of over approximately three years, beginning on November 1, 2021, the parties have agreed to amend the original debenture into a secured convertible debenture of the Company in the principal amount equal to the $10,808 (the "Deferred Amount "). The structured payments, which started in November 2021, will be credited toward the Deferred Amount. As part of the debt restructuring, the parties have also (i) extended the maturity date of the amended debenture to January 1, 2025, (ii) amended the conversion price such that the Deferred Amount is convertible into common shares of High Tide ("HITI Shares") at a conversion price of $0.425 pre-consolidation ($6.375 post-consolidation) per HITI Share, and (iii) amended the interest provisions such that the Deferred Amount will not bear any interest until maturity, with the portion of the Deferred Amount outstanding on maturity bearing interest on and from the maturity date at a rate of 8.5% per annum. Upon extinguishment of the original debenture $1,445 conversion option was moved to contributed surplus. Management calculated the fair value of the liability component as $5,069 using a discount rate of 22% along with forecasted scheduled payments, with the residual amount of $1,072 net of deferred tax of $247 being allocated to equity.

Effective November 1, 2023, the Company agreed to settle $5,025 (balloon payment) of the convertible debenture in shares, with the remaining balance to be repaid in semi-annual payments starting December 30, 2023. The convertible debenture matures on January 1, 2025, and interest on the convertible debenture is 8.5%. Upon extinguishment of the original debenture, $150 was recognized in the statement of equity. Management calculated the fair value of the liability component as $3,641 using a discount rate of 20% along with forecasted scheduled repayments, with the residual of $193 being allocated to equity. For the year ended October 31, 2024 the Company recognized $525 in retained earnings as a result of the revalued equity component. During the year ended October 31, 2024 the Company made repayments of $5,025 in shares and regular installment payments of $3,512 (October 31, 2023 - $nil).

18. Finance and other costs

	Year Ended October 31,	
	2024	2023
	$	$
Accretion on convertible debentures	**193**	1,747
Accretion on notes payable	**689**	112
Accretion on lease liabilities	**3,357**	2,480
Interest on notes payable	**1,341**	1,300
Interest on interest bearing borrowings	**1,408**	1,497
Transaction and other costs	**2,614**	2,591
Interest on Debentures	**303**	-
Accretion on Debentures	**153**	-
Total	**10,058**	9,727

19. Taxes

Income tax expense varies from the amount that would result from applying the Canadian federal and provincial statutory income tax rates to income or loss before income taxes. These differences result from the following:

As at October 31	**2024**	2023
	$	$
Accounting Loss before income taxes	**(4,404)**	(48,596)
Canadian Statutory tax rate	**23 %**	23 %
Expected income tax recovery based on statutory rates	**(1,013)**	(11,177)
Increase (decrease) in taxes resulting from:		
Non-deductible items	**1,208**	3,423
Change in tax rates and subsidiary rate differential	**(342)**	(1,077)
Revaluation of tax estimates	**(1,844)**	(1,374)
Change in unrecognized deferred tax assets	**1,413**	2,916
Other items	**(15)**	(355)
Tax expense (recovery)	**(593)**	(7,644)

The following items constitute the components of the deferred tax:

For the years ended October 31	Deferred income tax asset (liability) beginning of year	Acquired business combination	Recognized in earnings	OCI	Deferred income tax asset (liability) end of year
	$	$	$	$	$
Capital assets	5,873	-	2,382	67	8,322
Goodwill	397	-	367	2	766
Intangible assets	(6,243)	-	2,008	(27)	(4,262)
Right-of-use assets/liabilities	1,151	-	(292)	(7)	852
Other	1,445	-	661	-	2,106
Non-capital loss carry-forwards	26,363	-	(3,094)	-	23,269
Tax benefits not recognized	(30,253)	-	(1,084)	-	(31,337)
Total	**(1,267)**	**-**	**948**	**35**	**(284)**

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

As at October 31, 2024, the Company had approximately $90,000 of non-capital income tax losses carried forward, which will begin to expire starting in 2037. The Company also had approximately $1,000 of capital losses carried forward, which do not expire. Deferred tax assets have not been recognized in respect of those losses for which there currently is no expectation of future loss utilization as they may not be used to offset taxable profits in the near future, as they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the consolidated financial statements were able to recognize all such unrecognized deferred tax assets, the profit after tax would increase in concurrence with the income tax recoverable in the future periods.

20. Share capital

mmon shares:

	Number of shares	Amount
	#	$
ening balance, November 1, 2022	**71,021,233**	**279,513**
quisition - Jimmy's	2,595,533	4,932
uance of shares through ATM[(i)]	1,055,861	2,442
are issuance costs	—	(28)
sted restricted share units (RSU) (note 21)	66,667	161
ued to pay fees in shares	136,266	278
uance of shares due to put option exercise	423,587	729
lance, October 31, 2023	**75,299,147**	**288,027**
ued to pay fees in shares	658,754	1,331
rchase of Queen of Bud - paid in shares	378,486	900
uance of shares through ATM[(i)]	1,057,300	3,154
uance of share for settlement of convertible debentures	2,491,345	5,025
sted restricted share units (RSU)	486,335	929
are issuance cost	—	(97)
tions exercised	80,290	216
rrants exercised	104,600	358
urance of shares in connection with Secured Debentures (note 16)	230,760	800
lance, October 31, 2024	**80,787,017**	**300,643**

(i) On August 31, 2023, the Company announced that it established a new at-the-market equity offering ("the ATM Program") that allows the Company to issue up to $30,000 (or the equivalent in U.S. dollars) of common shares from treasury to the

public from time to time at the Company's discretion and subject to regulatory requirements. For the year ended ended October 31, 2024, a total of $3,154 has been raised through the program. The ATM program expires in September 2025.

21. Share-based compensation

(a) Stock option plan

On April 19, 2022, the directors of the Company approved the 2022 equity incentive plan of the Company (the "Omnibus Plan"), which was effective upon the Company receiving disinterested shareholder approval at the annual general meeting and special meetings of shareholders of the Company on June 2, 2022.

The maximum number of common shares available and reserved for issuance, at anytime, under the Omnibus Plan, together with any other security-based compensation arrangements adopted by the Company, including the Predecessor Plans, has been fixed at 20% of the issued and outstanding common shares as at June 2, 2022. The maximum share options that can be issued is 12,617,734 Common Shares.

The Company's previous stock option plan limited the number of common shares reserved under the plan from exceeding a "rolling maximum" of ten (10%) percent of the Company's issued and outstanding common shares from time to time.

The stock options vest at the discretion of the Board of Directors, upon grant to directors, officers, employees and consultants of the Company and its subsidiaries. It is the Company's intention for the stock options it grants, to generally vest one-fourth on each of the first, second, third and fourth, six-month anniversaries of the grant date. All options that are outstanding will expire upon maturity, or earlier, if the optionee ceases to be a director, officer, employee or consultant. The maximum exercise period of an option shall not exceed 10 years from the grant date.

Changes in the number of stock options, with their weighted average exercise prices, are summarized below:

As at	**October 31, 2024**		October 31, 2023	
	Number of options	**Weighted average exercise price ($)**	Number of options	Weighted average exercise price ($)
Opening balance November 1, 2023	**4,590,980**	**3.94**	2,250,082	6.16
Granted	**234,000**	**2.67**	2,666,457	2.61
Forfeited or expired	**(1,629,778)**	**5.74**	(325,559)	8.30
Exercised	**(114,750)**	**1.86**	-	-
Balance, October 31, 2024	**3,080,452**	**2.97**	4,590,980	3.94
Exercisable, end of the period	**1,693,346**	**3.19**	1,909,963	5.68

For the year ended October 31, 2024, the Company recorded share-based compensation related to options of $1,730 (year ended October 31, 2023: $848).

	Outstanding options			**Exercisable options**	
Range of exercise price	**Number of options outstanding**	**Weighted average remaining life (years)**	**Weighted average exercise price**	**Number of options exercisable**	**Weighted average exercise price**
$1.53 - $7.56	3,080,452	1.69	2.97	1,693,346	3.19

Options that were granted during the year were valued using the Black-Scholes option pricing model with the following assumptions:

As at	October 31, 2024		October 31, 2023	
Share price	**2.66**		2.40	
Exercise price	**2.67**		2.61	
Volatility	**62**	**%**	69	%
Expected option life (years)	**2.13**		2.16	
Weighted average fair value	**0.99**		1.85	
Risk-free interest rate	**3.40**	**%**	4.73	%

(b) Restricted share units ("RSUs") plan

For the year ended October 31, 2024, the Company recorded share-based compensation related to RSUs of $1,245 (year ended October 31, 2023: $649).

	Number of shares	
As at	**October 31, 2024**	October 31, 2023
	#	#
Opening balance, beginning of the period	**486,335**	132,143
Granted	**687,747**	486,335
Forfeited or expired	**0**	0
Vested and issued	**(486,335)**	(132,143)
Balance, end of the period	**687,747**	486,335

(c) Escrow shares

For the year ended October 31, 2024, the Company has recorded $nil (October 31, 2023: $3,537) share-based compensation related to Escrow Shares. These shares were granted as part of compensation plan and are released based on the employment agreement.

	Number of shares	
As at	**October 31, 2024**	October 31, 2023
	#	#
Opening balance, beginning of the period	**541,616**	3,160,537
Forfeited or expired	**(90,933)**	-
Released from escrow	**(450,683)**	(2,618,921)
Balance, end of the period	**-**	541,616

22. Warrants

	Number of warrants	Warrants amount	Weighted average exercise price	Weighted average number of years to expiry	Expiry dates
		$	$		
Opening balance, November 1, 2022	**91,694,784**	**15,497**	**2.58**	**2.39**	
Warrants expired[(i)]	(39,619,252)	(2,437)	0.43	—	2/6/2023
Warrants cancelled	(809,010)	(320)	0.43	—	2/6/2023
Balance, October 31, 2023	**51,266,522**	**12,740**	**5.61**	**0.75**	
Warrants expired[(ii)]	(46,309,556)	(8,008)	0.58	—	2/22/2024 - 05/26/2024
Warrants exercised[(ii)]	(104,600)	(100)	2.73	2.98	7/22/2027
Balance, October 31, 2024	**4,852,366**	**4,632**	**2.73**	**2.98**	

As at October 31, 2024, 4,852,366 (October 31, 2023: 46,309,562) warrants were exercisable on a basis of 15 warrants for 1 common share.

(i) During the year ended October 31, 2023, the remaining unexercised warrants issued in connection to the META acquisition expired.

(ii) During the year ended October 31, 2024, 5,591,408 warrants issued through equity financing and 2,416,742 warrants issued through the bought deal expired unexercised.

23. Loss per share

	Twelve months ended October 31	
	2024	2023
	$	$
Net loss for the period	**(3,811)**	(40,952)
Non-controlling interest portion of net loss (income)	**526**	(1,642)
Net loss attributable to the owners of the Company	**(4,337)**	(39,310)
	#	#
Weighted average number of common shares - basic	**79,556,928**	74,329,171
Basic and diluted loss per share	**(0.05)**	(0.53)

During the year ended October 31, 2024, the Company has reported a net loss for the year. In the computation of the diluted loss per share, common share equivalents are not considered, as the inclusion of the common shares equivalents are anti-dilutive for the year.

24. Financial Instruments and risk management

The Company's activities expose it to a variety of financial risks. The Company is exposed to credit, liquidity, interest and market risk due to holding certain financial instruments. This note presents information about changes to the Company's exposure to each of these risks, its objectives, policies, and processes for measuring and managing risk, and its management of capital during the year. Further quantitative disclosure is included throughout these consolidated financial statements. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

(a) Fair value

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The Company assessed that the fair values of cash and cash equivalents, trade and other receivable, accounts payable and accrued liabilities, and current liabilities approximate their carrying amounts largely due to the short-term nature of these instruments.

The following methods and assumptions were used to estimate the fair value:

- Marketable securities (excluding long term GIC's) are determined based on level 1 inputs, as the prices for the marketable securities are quoted in public exchanges.
- The Convertible Debentures are evaluated by the Company based on level 2 inputs such as the effective interest rate and the market rates of comparable securities. The convertible debentures are initially recorded at fair value and subsequently measured at amortized cost and at each reporting period accretion incurred in the period is recorded to transaction costs in the consolidated statement of loss and comprehensive loss.

(b) Credit risk

Credit risk arises when a party to a financial instrument will cause a financial loss for the counter party by failing to fulfill its obligation. The maximum exposure to credit risk is equal to the carrying value (net of allowances) of the financial assets. The objective of managing credit risk is to prevent losses on financial assets. The Company assesses the credit quality of counterparties, considering their financial position, past experience, and other factors. Cash and cash equivalents consist of bank balances. Credit risk associated with cash is minimized substantially by ensuring that these financial assets are held in highly rated financial institutions. The Company holds all cash and cash equivalents with large commercial banks or credit unions, which minimizes credit risk.

The following table sets forth details of the aging profile of accounts receivable and the allowance for expected credit loss:

As at	**October 31, 2024**	October 31, 2023
	$	$
Current (for less than 30 days)	**2,619**	2,449
31 – 60 days	**79**	1,234
61 – 90 days	**19**	934
Greater than 90 days	**1,116**	3,390
Less allowance	**(525)**	(536)
	3,308	7,471

Accounts receivable consist primarily of accounts receivable from invoicing for products and services rendered. The Company's credit risk arises from the possibility that a customer which owes the Company money is unable or unwilling to meet its obligations in accordance with the terms and conditions in the contracts with the Company, which would result in a financial loss for the Company. This risk is mitigated through established credit management techniques, including monitoring customer's creditworthiness, setting exposure limits and monitoring exposure against these customer credit limits.

For the year ended ended October 31, 2024 $395 (October 31, 2023 $1,102) in trade receivables were written off against the loss allowance due to bad debts and $775 (October 31, 2023 - $nil) was written off directly to bad debts. Individual receivables which are

known to be uncollectible are written off by reducing the carrying amount directly. The remaining accounts receivable are evaluated by the Company based on parameters such as interest rates, specific country risk factors, and individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the estimated losses of these receivables.

The Company performs a regular assessment of collectability of accounts receivables. In determining the expected credit loss amount, the Company considers the customer's financial position, payment history and economic conditions.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company generally relies on funds generated from operations, equity and debt financing to provide sufficient liquidity to meet budgeted operating requirements and to supply capital to expand its operations. The Company continues to seek capital to meet current and future obligations as they come due. The Company's ability to manage its liquidity risk going forward will require some or all of the following: the ability to continue generate positive cash flows from operations and to secure capital or credit facilities on reasonable terms.

Maturities of the Company's financial liabilities are as follows:

	Contractual Cash Flows	Less than one year	1-3 years	4-5 years	Greater than 5 years
Accounts payable and accrued liabilities	23,809	23,809	–	–	–
Notes payable	14,039	13,974	–	–	65
Interest bearing loans and borrowings	12,891	12,891	–	–	–
Secured Debentures	10,000	–	–	10,000	–
Undiscounted lease obligations	46,421	11,913	18,870	11,174	4,464
Balance, October 31, 2024	**107,160**	**62,587**	**18,870**	**21,174**	**4,529**

(d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in the market interest rate related primarily to the Company's current credit facility with variable interest rates.

At October 31, 2024, approximately 64% of the Company's borrowings are at a fixed rate of interest (October 31, 2023:45%).

At October 31, 2024, assuming all other variables remain constant, a fluctuation of +/-1.0 percent in the interest rate would impact the interest payment by approximately +/- $129 (October 31, 2023: $161).

(e) Foreign currency risk

Foreign currency risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company maintains cash balances and enters into transactions denominated in foreign currencies, which exposes the Company to fluctuating balances and cash flows due to variations in foreign exchange rates. The Canadian dollar equivalent carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities as at October 31, 2024 was as follows:

As at	October 31, 2024				October 31, 2023
(Canadian dollar equivalent amounts of GBP, EUR, USD)	**(GBP)**	**(EUR)**	**(USD)**	**Total**	Total
	$	**$**	**$**	**$**	$
Cash	583	381	2,328	**3,292**	4,119
Trade and other receivables	67	15	360	**442**	984
Accounts payable and accrued liabilities	(89)	(346)	(2,434)	**(2,869)**	(5,866)
Net monetary assets	561	50	254	**865**	(763)

Assuming all other variables remain constant, a fluctuation of +/-5.0 percent in the exchange rate between USD and the Canadian dollar would impact the carrying value of the net monetary assets by approximately +/- $19 (October 31, 2023 - $55). Maintaining constant variables, a fluctuation of +/-5.0 percent in the exchange rate between the EUR and the Canadian dollar would impact the carrying value of the net monetary assets by approximately +/- $2 (October 31, 2023 - $15), and a fluctuation of +/-5.0 percent in the exchange rate between GBP and the Canadian dollar would impact the carrying value of the net monetary assets by approximately +/- $28 (October 31, 2023 - $32). To date, the Company has not entered into financial derivative contracts to manage exposure to fluctuations in foreign exchange rates.

25. Segmented information

During the first quarter of 2024, the Company changed its reporting segments to reflect its current operating structure. The reporting segments are now being reported in the following two operating segments:

1. Bricks and mortar operations which includes the Company's Canadian bricks and mortar locations, inclusive of the Canadian warehouse which supports the distribution of accessories and other items to the Canadian stores. In addition, corporate overhead has been allocated to the reporting segment.
2. E-commerce operations which include the Company's US and international subsidiaries. In addition, corporate overhead has been allocated to the reporting segment.

Corporate costs are allocated to each segment based on percentage of revenue.

These reporting segments of the Company have been identified because they are segments: (a) that engage in business activities from which revenues are earned and expenses are incurred; (b) whose operating results are regularly reviewed by the Company's chief operating decision maker, identified as the Chief Executive Officer, to make decisions about the resources to be allocated to each segment and assess its performance; and (c) for which discrete financial information is available. In accordance with IFRS 8, the Company has reporting segments which are based on the similarity of goods and services provided and economic characteristics exhibited by the operating segments.

The annual audited consolidated financial statements of the Company for the year ended October 31, 2023, included three reporting segments as follows:

1. Retail operations which included both bricks and mortar and e-commerce operations, without the allocation of corporate overhead.
2. Wholesale operations which included the Company's Canadian warehouses.
3. Corporate operations which included all costs associated with the Company's head office.

The accounting policies used for segment reporting are consistent with the accounting policies used for the preparation of the Company's annual audited consolidated financial statements. The comparative information has been prepared in accordance with the current reporting segments noted above. There have been no changes to the underlying data used to prepare the comparative reporting segments for the prior year.

For the year ended October 31,	Bricks and Mortar 2024	Bricks and Mortar 2023	E-commerce 2024	E-commerce 2023	Total 2024	Total 2023
	$	$	$	$	$	$
Total revenue	$ 484,444	$ 431,694	$ 37,862	$ 55,975	$ 522,306	$ 487,669
Gross profit	$ 124,651	$ 105,132	$ 17,851	$ 26,182	$ 142,502	$ 131,314
Income (loss) from operations	$ 12,180	$ (9,034)	$ (7,177)	$ (32,391)	$ 5,003	$ (41,425)

As at October 31,	Bricks and Mortar 2024	Bricks and Mortar 2023	E-commerce 2024	E-commerce 2023	Total 2024	Total 2023
	$	$	$	$	$	$
Current assets	$ 75,161	$ 59,301	$ 10,628	$ 9,344	$ 85,789	$ 68,645
Non-current assets	$ 128,719	$ 126,579	$ 31,700	$ 38,177	$ 160,419	$ 164,756
Current liabilities	$ 56,741	$ 51,001	$ 4,739	$ 7,136	$ 61,480	$ 58,137
Non-current liabilities	$ 35,788	$ 37,304	$ 3,428	$ 4,294	$ 39,216	$ 41,598

For the year ended October 31,	Canada 2024	Canada 2023	USA 2024	USA 2023	International 2024	International 2023	Total 2024	Total 2023
	$	$	$	$	$	$	$	$
Total revenue	$ 484,444	$ 431,694	$ 36,061	$ 52,780	$ 1,801	$ 3,195	$ 522,306	$ 487,669
Gross profit (loss)	$ 125,326	$ 104,827	$ 16,050	$ 24,576	$ 1,126	$ 1,911	$ 142,502	$ 131,314
(Loss) income from operations	$ 14,430	$ (8,659)	$ (9,404)	$ (30,137)	$ (23)	$ (2,629)	$ 5,003	$ (41,425)

As at October 31, 2024 and October 31, 2023	Canada 2024	Canada 2023	USA 2024	USA 2023	International 2024	International 2023	Total 2024	Total 2023
	$	$	$	$	$	$	$	$
Current assets	$ 77,037	$ 55,787	$ 7,940	$ 11,386	$ 812	$ 1,472	$ 85,789	$ 68,645
Non-current assets	$ 129,115	$ 126,579	$ 27,634	$ 34,006	$ 3,670	$ 4,171	$ 160,419	$ 164,756
Current liabilities	$ 57,692	$ 50,968	$ 3,580	$ 5,958	$ 208	$ 1,211	$ 61,480	$ 58,137
Non-current liabilities	$ 36,680	$ 37,308	$ 2,252	$ 3,814	$ 284	$ 476	$ 39,216	$ 41,598

Corporate overhead is allocated to bricks and mortar and e-commerce based on a percentage of revenue for the year ended October 31, 2024 as 93% bricks and mortar and 7% e-commerce

26. Related party transactions

As at October 31, 2024, the Company had the following transactions with related parties as defined in IAS 24 – Related Party Disclosures, except those pertaining to transactions with key management personnel in the ordinary course of their employment and/or directorship arrangements and transactions with the Company's shareholders in the form of various financing.

(a) Operational transactions

An office and warehouse unit has been developed by Grover Properties Inc., a company that is related through a common controlling shareholder and the President & CEO of the Company. The office and warehouse space were leased to High Tide to accommodate the Company's operational expansion. The lease was established by an independent real estate valuations services company at prevailing market rates and has annual lease payments totaling $386 per annum. The primary lease term is 5 years that

ended on December 31, 2023. The Company has exercised the option to extend the lease for five years with one additional 5-year term extensions exercisable remaining at the option of the Company.

(b) Financing transactions

On August 15, 2022, the Company entered into a $19,000 demand term loan with Connect First credit union (the "Credit Facility") with Tranche 1 - $12,100 available in a single advance, and Tranche 2 - $6,900 available in multiple draws subject to pre-disbursement conditions set. To facilitate the credit facility, the president and CEO of the Company provided limited Recourse Guarantee against $5,000 worth of High Tide Inc. shares held by the CEO, and affiliates, to be pledged in favor of the Credit Union until the earlier of:

(i) 12 months following initial funding, provided all covenants of High Tide Inc. are in good standing; and
(ii) The CEO no longer being an officer of High Tide Inc.

The parties agree that this personal guarantee will only be available after all collection efforts against High Tide Inc. have been exhausted, including the sale of High Tide Inc.

(c) Key management personnel

Key management personnel is comprised of Company's Executive Team and Board of Directors. Key management compensation for the years ended October 31 as follows:

	2024	2023
	$	$
Short-term compensation	**2,688**	2,671
Termination benefits	**310**	225
Share-based compensation	**2,070**	2,452
Total	**5,068**	5,348

27. Right-of-use assets and lease liabilities

The Company entered into various lease agreements predominantly to execute its retail platform strategy. The Company leases properties such as various retail stores and offices. Lease contracts are typically made for fixed periods of 5 to 10 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Right of use assets	**Total**
	$
Opening balance, November 1, 2023	30,643
Net additions	16,031
Terminations	(596)
Impairment loss	-
Depreciation expense for the period	(9,553)
Balance, October 31, 2024	36,525

Lease Liabilities	**Total**
	$
Opening balance, November 1, 2023	35,037
Additions	13,856
Terminations	(145)
Foreign currency translation	(193)
Payments made in the year	(11,705)
Accretion expense for the year end (Note 18)	3,357
Balance, October 31, 2024	**40,207**
Less current portion	(8,816)
Non-current	31,391

During the years ended October 31, 2024, the Company also paid $5,182 (For the years ended October 31, 2023: $4,806) in variable operating costs associated to the leases which are expensed under general and administrative expenses.

28. Capital management

The Company's objectives when managing capital resources are to:

(i) Explore profitable growth opportunities;
(ii) Deploy capital to provide an appropriate return on investment for shareholders;
(iii) Maintain financial flexibility to preserve the ability to meet financial obligations; and
(iv) Maintain a capital structure that provides financial flexibility to execute on strategic opportunities.

The Company's strategy is formulated to maintain a flexible capital structure consistent with the objectives stated above as well to respond to changes in economic conditions and to the risks inherent in its underlying assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather promotes year-over-year sustainable profitable growth. The Company's capital structure consists of equity and working capital. To maintain or alter the capital structure, the Company may adjust capital spending, take on new debt and issue share capital. The Company anticipates that it will have adequate liquidity to fund future working capital, commitments, and forecasted capital expenditures through a combination of cash flow, cash-on-hand and financings as required.

29. Contingent liability

In the normal course of business, the Company and its subsidiaries may become defendants in certain employment claims and other litigation. The Company records a liability when it is probable that a loss has been incurred and the amount can be reasonably estimated. The Company is not involved in any legal proceedings other than routine litigation arising in the normal course of business, none of which the Company believes will have a material adverse effect on the Company's business, financial condition or results of the operations.

30. Non-controlling interest

The following table presents the summarized financial information for the Company's subsidiaries which have non-controlling interests. This information represents amounts before intercompany eliminations and with the exclusion of Goodwill.

As at	**October 31, 2024**	October 31, 2023
	$	**$**
Total current assets	**5,482**	3,017
Total non-current assets	**6,365**	21,085
Total current liabilities	**(1,496)**	(4,128)
Total non-current liabilities	**(758)**	(4,891)
Revenues for the year ended	**16,393**	31,723
Net income for the year ended	**1,749**	(13,252)
Total Comprehensive income (loss)	**2,062**	(10,672)

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

As at	**October 31, 2024**	October 31, 2023
	$	**$**
Opening balance	**2,110**	5,683
Share of income for the period - Saturninus Partners	**116**	245
Share of income for the period - NAC OCN Ltd.Partnership	**208**	284
Share of income for the period - NAC Thompson North Ltd. Partnership	**182**	313
Share of income for the period - Enigmaa Ltd.	**(116)**	(524)
Share of income for the period - NuLeaf	**136**	(1,960)
Purchase of NuLeaf	**(196)**	-
Distribution - Saturninus Partners	**(200)**	-
Distribution - Blessed	**-**	(358)
Distribution - Meta	**-**	(104)
Purchase of minority interest and closing of NCI balance - FABCBD	**-**	(1,469)
Balance, October 31, 2024	**2,240**	2,110

31. Subsequent events

Subsequent to October 31, 2024, the following events took place:

- On November 13, 2024, the Company issued $5,000 of bond debentures at a 10% discount, for net cash proceeds of $4,464, with a 12% coupon rate. The bonds were issued and cash received by the Company on November 13, 2024 with a maturity of 5 years. In connection with the issuance, the company incurred $36 in bond debenture fees.
- On December 30, 2024, the Company repaid the $13,000 principal balance of the note payable to Opaskwayak Cree Nation.
- On January 13, 2025, the Company entered into a definitive agreement to acquire a 51% ownership interest in Purecan GMbH ("Purecan"), a pharmaceutical wholesaler based in Germany, for a total consideration of $3,569 (CAD) million in common shares of High Tide, price locked as of January 7, 2025, €1.2 million in cash, and €1.2 million in a promissory note with a 7% annual interest rate, payable quarterly, and maturing two years after closing.

Exhibit 99.2



Management's Discussion & Analysis

For the years ended October 31, 2024 and 2023

Established consumer brands of High Tide Inc.

About this MD&A:

This management's discussion and analysis (this "MD&A") of High Tide Inc. ("High Tide", "we", "our" or the "Company") for the years ended October 31, 2024 and 2023 is dated January 29, 2025. This MD&A should be read in conjunction with the audited consolidated financial statements of the Company for the years ended October 31, 2024 and 2023 (hereafter the "Financial Statements"). The financial information presented in this MD&A has been derived from the Financial Statements which prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Company's continuous disclosure materials, including interim fillings, audited annual consolidated financial statements, annual information form and annual report on Form 40-F can be found on SEDAR+ at www.sedarplus.ca, with the company's filings with the SEC at www.sec.gov.

This MD&A also refers to the Company's two reportable operating segments: (i) the "bricks and mortar" segment which includes the Company's Canadian bricks and mortar locations, inclusive of the Canadian warehouse which supports the distribution of accessories and other items to the Canadian stores (ii) the "e-commerce" Segment which include the Company's USA and international subsidiaries, inclusive of the USA warehouse which supports the distribution of accessories and other items to the USA and international subsidiaries (each as defined below under the heading – Segment Operations).

High Tide is a high-impact, retail-forward enterprise built to deliver real-world value across every component of cannabis. The Company's shares are listed on the Nasdaq Capital Market ("Nasdaq") under the ticker symbol "HITI", the TSX Venture Exchange ("TSXV") under the symbol "HITI", and the Frankfurt Stock Exchange under the securities identification code 'WKN: A2PBPS' and the ticker symbol "2LYA". The address of the Company's headquarters is #112, 11127 15 Street NE, Calgary, Alberta, T3K 2M4.

Corporate overview:

Founded in 2009, High Tide through its subsidiary Canna Cabana is the largest cannabis retail chain in Canada. As of the date of this MD&A, the Company operates 191 branded retail cannabis stores across Canada represented by 84 locations in Alberta, 76 locations in Ontario, 12 locations in Saskatchewan, 8 locations in British Columbia, and 11 locations in Manitoba. Included within the 191 stores are 3 locations, in which the Company has a 50% interest in a partnership that operates a branded retail Canna Cabana location in Sudbury, Ontario and two joint ventures that operate under the Meta Cannabis Supply Co brand with a 49% interest that operate in Manitoba.

Leveraging the brand equity established through its consumer brands, High Tide sells cannabis, CBD products and consumption accessories through both traditional bricks and mortar stores as well as e-commerce platforms. Traditional bricks and mortar sales are conducted under the Company's Canna Cabana brand and Meta Cannabis Supply Co, CBD product sales are conducted online under the Company's NuLeaf Naturals, FABCBD, and Blessed CBD brands, and online sales through e-commerce platforms are conducted under the Company's Grasscity, Smoke Cartel, Daily High Club and DankStop brands.

In addition to consumer sales, High Tide operates a wholesale division under their Valiant Distribution ("Valiant") brand. Through Valiant, the Company supplies various Canadian cannabis shops with cannabis and consumption accessories that are designed and branded under the Valiant brand.

Under these established brands, High Tide has expanded its network to sell cannabis (only in Canada), CBD products and consumption accessories throughout Canada, the United Kingdom, the Netherlands and the United States, becoming one of the most recognized cannabis retail groups globally.

Corporate update:

Through its Canna Cabana brand, High Tide is the largest cannabis retailer in Canada and the second-largest globally by store count with 191 current operating locations. During calendar 2024, the Company reached the high end of its communicated target to add 20-30 locations. The Company's objective is to add another 20-30 locations during calendar 2025, while generating positive free cash flow, as was the case in the prior year. The Company reiterates its long-term goal to reach 300 locations across Canada.

The Company's Cabana Club loyalty program continues to expand at a rapid pace across Canada, currently exceeding 1.72 million members, which is up 34% over the past year. Long term, in Canada, the Company aims to exceed 2 million members. ELITE, the paid membership tier, continues to break quarterly growth records and has now reached 73,000 members with additional members being onboarded daily. ELITE members tend to shop more frequently and in larger quantities than base tier members.

After seeing the success of the launch of its innovative discount club model in its core business of bricks-and-mortar cannabis stores in Canada, in late 2024, the Company expanded the Cabana Club across all its global e-commerce businesses, offering disruptive three-tier pricing. The Company is encouraged by the initial trajectory of members signing up to its loyalty plan—and maintains its expectation that this initiative will be revenue neutral approximately six months from launch and EBITDA neutral approximately 12 months from launch. The Company is pleased to report that 3,000 members in the US and EU have signed up to ELITE. With 3.6 million total Cabana Club members in US and EU, the community has grown to a global base of 5.32 million today.

Earlier this month, the Company announced its intention to enter into the fast growing German medical cannabis market by signing an agreement to acquire a 51% majority stake in Purecan, a profitable German medical cannabis importer and wholesaler. The Company believes it has a unique opportunity to be able to leverage its existing leadership position and relationships with Canadian licensed producers to meaningfully expand Purecan's business. The transaction is expected to close imminently.

The Company has been free cash flow positive over the past six quarters, having generated approximately $22 million during the last year. Although the quantum of free cash flow generation can vary significantly in any given quarter, the Company expects to remain free cash flow positive using cash generated from operations to fuel organic growth.

As a result of a series of transactions undertaken in 2024 to reduce its debt, the Company has entered calendar 2025 with a significantly improved balance sheet with no debt maturities until September 2027 which offers meaningful flexibility and positions the Company quite well to continue using cash generated from existing operations to fund future locations.

Select financial highlights and operating performance:

	Three months ended October 31			Year Ended October 31		
	2024	2023	Change	**2024**	2023	Change
	$	$	Δ	**$**	$	Δ
Free cash flow[(i)]	**5,908**	5,687	4 %	**21,991**	6,940	217 %
Net cash provided by operating activities	**9,652**	9,637	— %	**35,546**	20,661	72 %
Revenue	**138,295**	127,105	9 %	**522,306**	487,669	7 %
Gross profit	**35,755**	32,984	8 %	**142,502**	131,314	9 %
Gross profit margin[(ii)]	**26%**	26%	— %	**27%**	27%	— %
Total operating expenses	**(38,586)**	(67,188)	43 %	**(137,499)**	(172,739)	20 %
Operating expenses as a % of revenue	**28%**	53%	(25) %	**26%**	35%	(9)%
Income (loss) from operations	**(2,832)**	(34,204)	92 %	**5,003**	(41,425)	112 %
Adjusted EBITDA[(iii)]	**8,245**	8,362	(1) %	**38,335**	30,636	25 %
Adjusted EBITDA as a percentage of revenue[(iv)]	**6%**	7%	(1) %	**7%**	6%	1 %
Net loss	**(4,802)**	(31,805)	85 %	**(3,811)**	(40,952)	91 %
Adjusted net income (loss) before impairment[(v)]	**162**	2,460	(93) %	**1,153**	(6,687)	(117)%
Basic and diluted income (loss) per share	**(0.06)**	(0.39)	85 %	**(0.05)**	(0.53)	90 %

(i) Free cash flow is a non-IFRS financial measure prepared based on the calculation mentioned in "Select financial highlights and operating performance" section on page 8.
(ii) Gross profit margin - a non-IFRS financial measure. Gross profit margin is calculated by dividing gross profit by revenue.
(iii) Adjusted EBITDA - a non-IFRS financial measure. A reconciliation of the Adjusted EBITDA to Net income (loss) is found under "Select financial highlights and operating performance" section on page 8.
(iv) Adjusted EBITDA as a percentage of revenue - a non-IFRS financial measure. This metric is calculated as adjusted EBITDA divided by revenue.
(v) Adjusted net Income (loss) before impairment is a non-IFRS financial measure which is calculated by subtracting impairment from net (loss) income

The key factors affecting the results of the year ended October 31, 2024, were:

- **Free cash flow positive**—For the sixth consecutive quarter, the Company has generated positive free cash flow totaling $5,908. The increase of 4% from prior year is primarily driven by continued same-store sales growth resulting in operating efficiencies, strong cost controls, and diligent working capital management. In addition, the Company has experienced growth of free cash flow of 217% year over year due to the strong operating results for the year ended October 31, 2024.

- **Revenue** – Revenue increased 7% year-over-year, driven by the increase in the number of stores to 186 compared from 157. New stores contributed $20,852 increase in revenue whereas organic growth of same-store revenue[1] accounted for $23,190 accompanied with an increase to data analytics, advertising and other revenue for $9,300. This has been offset by reduction in revenue related to e-commerce sales excluding data analytics, advertising and other revenue of $18,704.

- **Operating Expenses** – Operating expenses decreased by 9% as a percentage of revenue year-over-year, dropping to 26% during the year compared to 35% in the prior year. The decrease in operating expenses is driven by the Company's various initiatives to reduce expenditures where possible and implement more efficient cost-saving solutions without impacting revenue.

- **Adjusted EBITDA** – Adjusted EBITDA increased by 25% year-over-year, driven by the Company opening 29 new stores during the year compared to 16 new stores in the prior year. The company typically incurs higher costs in the quarter when new stores open, as it takes 6 to 12 months for these locations to ramp up to full maturity.

[1] Same store sales is calculated based on stores which were open in the previous period being compared. Stores which were opened partially in the period being compared are accounted as new store sales.

Revenue

	Three months ended October 31			Year Ended October 31		
	2024	2023	Change	**2024**	2023	Change
	$	$	Δ	**$**	$	Δ
Cannabis and CBD products	**120,259**	111,846	8%	**452,792**	416,512	9%
Consumption accessories	**7,128**	7,899	(10)%	**32,801**	43,744	(25)%
Data analytics, advertising and other revenue	**10,908**	7,360	48%	**36,713**	27,413	34%
Revenue	**138,295**	127,105	9%	**522,306**	487,669	7%

The total revenue has increased by 9% to $138,295 in the three months ended October 31, 2024 (October 31, 2023: $127,105) and by 7% to $522,306 for the year ended October 31, 2024 (October 31, 2023: $487,669).

The increase in total revenue was primarily driven by a combination of an increase in the number of bricks and mortar stores and overall organic growth in same-store sales. Total number of stores increased by 18% rising to 186 stores during the year from 157 in the prior year.

For the three months ended October 31, 2024 new stores contributed a $595 increase in revenue while organic same-store revenue[2] added for $7,047, accompanied with $3,548 increase to data analytics, advertising and other revenue. This has been offset by reduction in revenue related to e-commerce sales of $2,982.

For the year ended October 31, 2024, new stores contributed $20,852 increase in revenue, organic growth of same-store revenue added $23,190 accompanied with $9,300 increase to data analytics, advertising and other revenue. This was offset by reduction in revenue related to e-commerce sales of $18,704.

Gross profit

	Three months ended October 31			Year Ended October 31		
	2024	2023	Change	**2024**	2023	Change
	$	$	Δ	**$**	$	Δ
Revenue	**138,295**	127,105	9%	**522,306**	487,669	7%
Cost of sales	**(102,540)**	(94,121)	9%	**(379,804)**	(356,355)	7%
Gross profit	**35,755**	32,984	8%	**142,502**	131,314	9%
Gross profit margin [(i)]	**26%**	26%	—%	**27%**	27%	—%

(i) Gross profit margin is a non-IFRS financial measure. Gross profit margin is calculated by dividing gross profit by revenue.

Gross profit increased to $35,755 for the three months ended October 31,2024 and $142,502 for the year ended October 31, 2024, compared to $32,984 and $131,314 during the same period in 2023, representing an increase of 8% period-over-period and 9% year-over-year.

Gross profit margin in the three months ended October 31, 2024, was consistent at 26% during the same period in 2023 compared to the year ended October 31, 2024 which remained consistent at 27%.

[2] Same store sales is calculated based on stores which were open for the entire previous period being compared. Stores which were opened partially in the period being compared are accounted as new store sales.

Operating expenses

	Three months ended October 31			Year Ended October 31		
	2024	2023	Change	**2024**	2023	Change
	$	$	Δ	**$**	$	Δ
Salaries, wages and benefits	**17,083**	14,727	16%	**65,082**	56,798	15%
Share-based compensation	**750**	(284)	364%	**2,975**	5,034	(41)%
General and administration	**5,856**	6,748	(13)%	**21,836**	26,888	(19)%
Professional fees	**1,919**	1,450	32%	**7,734**	8,350	(7)%
Advertising and promotion	**1,012**	596	70%	**4,166**	4,144	1%
Depreciation and amortization	**5,362**	8,582	(38)%	**25,393**	32,761	(23)%
Impairment loss	**4,964**	34,265	(86)%	**4,964**	34,265	(86)%
Interest and bank charges	**1,640**	1,104	49%	**5,349**	4,499	19%
Operating expenses	**38,586**	67,188	(43)%	**137,499**	172,739	(20)%
Operating expense as a percentage of revenue	**28%**	53%	(25)%	**26%**	35%	(9)%
Operating expenses less impairment	**33,622**	32,923	2%	**132,535**	138,474	(4)%
Operating expenses less impairment as a percentage of revenue	**24%**	**26%**	(2)%	**25%**	28%	(3)%

Operating expenses represented 28% of revenue during the three months ended October 31, 2024 compared to 53% for the same period in 2023. The 25% decrease is primarily attributable to a reduction of impairment of $29,301 period-over-period. Operating expenses excluding impairment, as a percentage of revenue remained relatively stable at 24% for the three months ended October 31, 2024 as compared to 26% for three months ended October 31, 2023. The 2% reduction reflects the Company's continued focus on implementing cost-saving solutions that focus on efficiency.

For the three months ended October 31, 2024, salaries, wages and benefits increased by 16% as compared to the same period in 2023, primarily as a result of the Company opening 6 new stores in the period, accompanied with increases in minimum wage within Ontario, Saskatchewan and Manitoba. For the year ended October 31, 2024, salaries,wages, and benefits increased by 15% compared to prior year as a result of the Company opening 29 new stores.

General and administration expenses decreased by 13% for the three months ended October 31, 2024 compared to the same period 2023, as the Company continued its focus on cost-saving measures and operational efficiencies. For the year ended October 31, 2024 general and administrative expenses decreased by 19%, driven by similar efficiency initiatives undertaken throughout the year.

Depreciation and amortization expenses decreased by 38% for the three months ended October 31, 2024, compared to the same period in 2023, primarily due to business licenses which were purchased as part of the META Growth Corp acquisition being fully depreciated during the period. For the year ended October 31, 2024, depreciation and amortization expenses decreased by 23%, primarily for the same reason.

Impairment charges for the three months ended October 31, 2024 and for the year ended October 31, 2024 , totaled $4,964 compared to $34,265 in the same periods in 2023. The reduction in impairment is driven by the annual impairment tests as outlined in the "impairment loss" section of this document.

EBITDA and Adjusted EBITDA

The Company defines EBITDA and Adjusted EBITDA as per the table below. It should be noted that these performance measures are not defined under IFRS and may not be comparable to similar measures used by other entities. The Company believes that these measures are useful financial metrics as they assist in determining the ability to generate cash from operations. Investors should be cautioned that EBITDA and Adjusted EBITDA should not be construed as an alternative to net earnings or cash flows as determined under IFRS. Management defines "Adjusted EBITDA" as the net (loss) income for the period, before income tax (recovery) expense, accretion and interest expense, depreciation and amortization, and adjusted for foreign exchange (gain) losses, transaction and acquisition costs, (gain) loss on revaluation of put option liability, (gain) loss on extinguishment of debenture, impairment loss, share-based compensation, (gain) loss on revaluation of marketable securities and (gain) loss on extinguishment of financial liability and other (gain) loss.

	2024				2023			
	Q4	**Q3**	**Q2**	Q1	Q4	Q3	Q2	Q1
Net Income (loss)	**(4,802)**	825	171	(5)	(31,805)	(3,717)	(1,568)	(3,862)
Income/deferred tax (recovery) expense	**(153)**	671	(878)	(233)	(4,571)	204	(2,041)	(1,236)
Accretion and interest	**2,308**	1,681	1,712	1,743	1,632	1,931	1,759	1,814
Depreciation and amortization	**5,362**	5,678	7,505	6,848	8,583	8,493	7,699	7,986
EBITDA	**2,715**	8,855	8,510	8,353	(26,161)	6,911	5,849	4,702
Foreign exchange (gain) lose	**5**	19	(5)	5	(152)	31	2	(15)
Finance and other costs	**773**	12	1,314	515	691	801	435	664
(Gain) loss revaluation of put option liability	**(88)**	(159)	(110)	(300)	544	73	(1,288)	(1,261)
Other loss (gain)	**11**	(6)	337	-	37	18	-	-
Gain on extinguishment of put option	**(885)**	-	-	-	-	-	-	-
Impairment loss	**4,964**	-	-	-	34,265	-	-	-
Share-based compensation	**750**	881	549	795	(284)	2,350	1,532	1,436
Loss (gain) on revaluation of marketable securities	**-**	12	-	77	(13)	-	(19)	(8)
(Gain) loss on revaluation of debenture	**-**	-	(240)	755	(505)	-	-	-
(Gain) loss on extinguishment of financial liability	**-**	-	(314)	235	(60)	-	78	(18)
Adjusted EBITDA[(i)]	**8,245**	9,614	10,041	10,435	8,362	10,184	6,589	5,500

(i) Adjusted EBITDA a non-IFRS financial measure.

Free Cash Flow

The Company defines free cash flow (non-IFRS financial measure) as net cash provided by operating activities, minus sustaining capex, minus lease liability payments. Sustaining Capex is defined as leasehold improvements and maintenance spend required in the existing business. The most directly comparable financial measure is net cash provided by operating activities, as disclosed in the consolidated statement of cash flows. It should not be viewed as a measure of liquidity or a substitute for comparable metrics prepared in accordance with IFRS.

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
Cash flow from operating activities	**6,179**	8,928	8,032	9,363	7,207
Changes in non-cash working capital	**3,473**	(2,715)	4,777	(2,490)	2,430
Net cash provided by operating activities	**9,652**	6,213	12,809	6,873	9,637
Sustaining capex[(i)]	**(533)**	(279)	(528)	(511)	(1,080)
Lease liability payments	**(3,211)**	(2,842)	(2,898)	(2,754)	(2,870)
Free cash flow[(ii)]	**5,908**	3,092	9,383	3,608	5,687

(i) Sustaining capex is a non-IFRS measure, which is calculated by subtracting growth capex from total capex purchases.
(ii) Free cash flow is a non-IFRS measure

Impairment loss

	Three months ended October 31			Twelve months ended October 31		
	2024	2023	Change	**2024**	2023	Change
	$	$	Δ	**$**	$	Δ
E-commerce retail goodwill	**(3,467)**	(10,292)	(66)%	**(3,467)**	(10,292)	(66)%
Indefinite life intangible assets	**(1,497)**	(23,257)	(94)%	**(1,497)**	(23,257)	(94)%
Finite life tangible assets	**-**	(126)	(100)%	**—**	(126)	(100)%
Right of use assets	**-**	(590)	(100)%	**—**	(590)	(100)%
Total Impairment loss	**(4,964)**	(34,265)	(86)%	**(4,964)**	(34,265)	(86)%

For all impairment tests performed for the year ended October 31, 2024, the Company completed the testing using the Fair Value Less Costs of Disposal ("FVLCD"). The fair value calculation requires level 3 inputs including forecasted future cashflows of the Company's cash generating unit ("CGU") over a five-year period, growth rate assumptions, and terminal growth rates.

Impairment loss decreased by $29,301 to $4,964 for the year ended October 31, 2024 (October 31, 2023: $34,265). The Company completed its annual impairment tests as of August 1, 2024, with the previous test conducted as of August 1, 2023, and has included a summary of key inputs below for each CGU to which goodwill has been allocated. Impairment charges were primarily driven by challenges in the Company's eCommerce business. Management performed a review of impairment indicators as of October 31, 2024 to determine if additional testing is required. No such indicators were present at October 31, 2024.

Goodwill

The Company completed impairment testing over the group of CGUs to which goodwill had been allocated. Goodwill arising from business combinations is allocated either to the bricks and mortar retail locations CGUs or to e-commerce retail subsidiaries CGUs, as each group of CGUs benefit from synergies created through these business combinations based on whether they are retail locations or e-commerce platforms.

Included in the CGU group for bricks and mortar are all retail locations including the Cantopia (Millcreek) acquisition. Total goodwill allocated to this group of CGUs for the year ended October 31, 2024 is $58,641 (October 31, 2023: $58,298)

Included in the CGU group for e-commerce are all of the e-commerce subsidiaries. With the reduction caused by the impairment, the goodwill remaining that is allocated to this group of CGUs for the year ended October 31, 2024 is $14,732 (October 31, 2023: $17,905).

Bricks & mortar retail

The recoverable amount of the group of CGUs included in bricks and mortar retail, was determined based on a FVLCD model. The model was built using 5-year cash flows projections expected to be generated based on historical performance, financial forecasts, and growth expectations. For the first year, revenues were forecasted based on actual operating results as well as industry and market trends. Revenue for years after the first year are forecasted at a growth rate of 2%; Cash flows beyond 5 years used a terminal growth rate of 2%; and Cash flows were discounted at an after-tax discount rate of 14% based on a market participant weighted average cost of capital. If the discount rate was to increase by 1% to 15%, the recoverable amount would decrease by $15,428. If forecasted revenue growth rate was decreased by 1% to 1%, the recoverable amount would decrease by $5,304.

As a result of the impairment test performed, the recoverable amount was determined to be higher than the carrying value of the group of CGUs, which did not result in an impairment (2023 - $nil).

The recoverable amount of the e-commerce aggregate group of CGUs was determined based on a FVLCD model. The recoverable amount of the e-commerce aggregated group of CGU's was determined using 5-year cash flows projections expected to be generated based on historical performance, financial forecasts, and growth expectations. For the first year, revenues were forecasted based on actual operating results as well as industry and market trends. Revenue for the years after the first year are forecasted at a growth rate of 2% for the initial 2 years and then 5% for 3 years. Cash flows beyond 5 years used a terminal growth rate of 2%; and Cash flows were discounted at an after-tax discount rate of 15% based on a market participant weighted average

cost of capital. If the discount rate was to increase by 2% to 17%, the recoverable amount would decrease by $3,499. If forecasted revenue was decreased by 2% for 2 years to 0% and 5% for 3 years to 0%, the recoverable amount would decrease by $5320.

As a result of the impairment test performed, the recoverable amount was determined to be less than the carrying value of the group of CGUs, which resulted in an impairment of $3,467 (2023 - $10,292). The most sensitive inputs to the fair value model are the revenue growth rate and discount rate.

Indefinite life intangible assets

The Company performed impairment testing over indefinite life intangible assets, assets which consists of brand intangibles for it's e-commerce entities. The recoverable amount was determined based on a revenue royalty rate model. Revenues and discount rate used in the models were based on the same assumptions noted above for the e-commerce retail CGU by entity.

	Impairment loss (recovery)	
Brands	**2024**	2023
	$	$
Blessed CBD	**215**	2,772
Daily High Club	**1,941**	33
DankStop	**39**	769
FABCBD	**—**	7,257
Grasscity	**682**	749
NuLeaf	**(2,000)**	8,796
Smoke Cartel	**620**	2,881
Total	**1,497**	23,257

(i) During the completion of the impairment tests performed on August 1, 2024, the Company noted that due to changes in the operations of NuLeaf Naturals indicators of recovery of impairment recognized on the brand intangible was observed. Using a revenue royalty rate model, the Company concluded that a recovery of $2,000 of previously recognized impairment existed. The recovery has been included net of impairment losses in the consolidated statement of loss and comprehensive loss.

Finite life tangible assets

For the year ended October 31, 2024, the Company performed indicator assessments over CGUs with property and equipment, right-of-use assets, and finite intangible assets, which was all retail locations CGUs.

The Company did not identify any indicator of potential impairment for retail location CGUs.

Segmented operations:

During the first quarter of 2024, the Company changed its reporting segments to reflect its current operating structure. The reporting segments are now being reported in the following two operating segments:

1. Bricks and mortar operations which includes the Company's Canadian bricks and mortar locations, inclusive of the Canadian warehouse which supports the distribution of accessories and other items to the Canadian stores. In addition, corporate overhead has been allocated to the reporting segment.
2. E-commerce operations which include the Company's US and international subsidiaries. In addition, corporate overhead has been allocated to the reporting segment.

Corporate costs are allocated to each segment based on percentage of revenue.

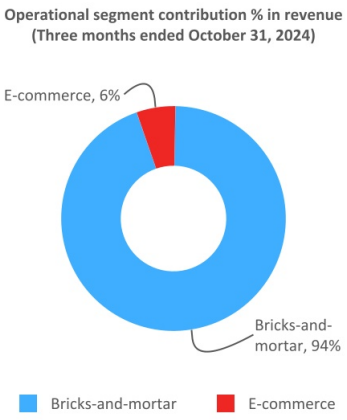
These reporting segments of the Company have been identified because they are segments: (a) that engage in business activities from which revenues are earned and expenses are incurred; (b) whose operating results are regularly reviewed by the Company's chief operating decision maker, identified as the Chief Executive Officer, to make decisions about the resources to be allocated to each segment and assess its performance; and (c) for which discrete financial information is available. In accordance with IFRS 8, the Company has reporting segments which are based on the similarity of goods and services provided and economic characteristics exhibited by the operating segments.

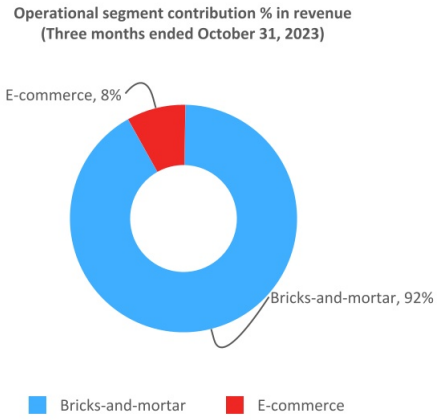
The audited consolidated financial statements of the Company for the year ended October 31, 2023, included three reporting segments as follows:

1. Retail operations which included both bricks and mortar and e-commerce operations, without the allocation of corporate overhead.
2. Wholesale operations which included the Company's Canadian warehouses.
3. Corporate operations which included all costs associated with the Company's head office.

The accounting policies used for segment reporting are consistent with the accounting policies used for the preparation of the Company's annual audited consolidated financial statements. The comparative information has been prepared in accordance with the current reporting segments noted above. There have been no changes to the underlying data used to prepare the comparative reporting segments for the prior year.

Performance by operational segment:









The following is a representation of these operational segments:

	Bricks and Mortar	Bricks and Mortar	**E-commerce**	E-commerce	**Total**	Total
For the year ended October 31,	**2024**	2023	**2024**	2023	**2024**	2023
	$	$	**$**	$	**$**	$
Total revenue	**484,444**	431,694	**37,862**	55,975	**522,306**	487,669
Gross profit	**124,651**	105,132	**17,851**	26,182	**142,502**	131,314
Gross profit margin[(i)]	**26%**	**24%**	**47%**	**47%**	**27%**	**27%**
Income (loss) from operations	**12,180**	(9,034)	**(7,177)**	(32,391)	**5,003**	(41,425)
Adjusted EBITDA[(ii)]	**36,618**	24,332	**1,717**	6,304	**38,335**	30,636
Adjusted EBITDA margin[(iii)]	**8%**	**6%**	**5%**	**11%**	**7%**	**6%**

	Bricks and Mortar	Bricks and Mortar	**E-commerce**	E-commerce	**Total**	Total
As at October 31,	**2024**	2023	**2024**	2023	**2024**	2023
	$	$	**$**	$	**$**	$
Current assets	**75,161**	59,301	**10,628**	9,344	**85,789**	68,645
Non-current assets	**128,719**	126,579	**31,700**	38,177	**160,419**	164,756
Current liabilities	**56,741**	51,001	**4,739**	7,136	**61,480**	58,137
Non-current liabilities	**35,788**	37,304	**3,428**	4,294	**39,216**	41,598

(i) Gross profit margin - a non-IFRS financial measure. Gross profit margin is calculated by dividing gross profit by revenue.
(ii) Adjusted EBITDA - a non-IFRS financial measure. A reconciliation of the Adjusted EBITDA to Net income (loss) is found under "Select financial highlights and operating performance" section on page 8.
(iii) Adjusted EBITDA margin - a non-IFRS financial measure. This metric is calculated as adjusted EBITDA divided by revenue.

Corporate overhead is allocated to bricks and mortar and e-commerce on a percentage of revenue based on the year ended October 31, 2024, 93%, bricks and mortar and 7% e-commerce (October 31, 2023 - 87% bricks and mortar and 13% e-commerce)

Bricks and mortar performance

	Three months ended October 31			**Year months ended October 31**		
	2024	2023	Change	**2024**	2023	Change
	$	$	Δ	**$**	$	Δ
Cannabis and CBD products	**116,313**	106,616	9%	**435,642**	394,411	11%
Consumption accessories	**3,383**	2,456	38%	**12,764**	9,953	28%
Data analytics, advertising and other revenue	**10,826**	7,338	48%	**36,038**	27,330	32%
Total revenue	**130,522**	116,410	12%	**484,444**	431,694	12%
Cost of goods sold	**99,213**	88,963	12%	**359,793**	326,562	10%
Gross profit	**31,309**	27,447	14%	**124,651**	105,132	19%
Gross profit margin[(i)]	**24%**	24%	1%	**26%**	24%	1%
Operating expenses	**25,863**	27,761	(7)%	**112,471**	114,166	(2)%
Income (loss) from operations	**5,446**	(314)	1834%	**12,180**	(9,034)	235%
Depreciation and amortization	**3,898**	7,159	(46)%	**21,664**	28,910	(25)%
Share-based compensation	**723**	-	—%	**2,774**	4,456	(38)%
Adjusted EBITDA[(i)]	**10,067**	6,845	47%	**36,618**	24,332	51%
Adjusted EBITDA margin[(i)]	**8%**	**6%**	2%	**8%**	**6%**	2%

(i) Gross profit margin, adjusted EBITDA and adjusted EBITDA margin are non-IFRS measures

For the year ended, October 31, 2024, the Company's bricks and mortar segment demonstrated revenue growth with total revenue increasing by 12% to $484,444 as compared to $431,694 for the year ended October 31, 2023.

The total revenue growth is primarily attributable to continued same-store sales growth and new stores build outs. The Company went from 157 stores to 186 stores during the year ended October 31, 2024. As of October 31, 2024 year, 186 stores were operational, and same store sales increased by 5% as compared to the same period ended October 31, 2023.

For the year ended October 31, 2024 the Company recognized $36,038, in revenue generated from its proprietary data analytics service named 'Cabanalytics Business Data and Insights Platform' and other revenues which are 32% higher than the same period of 2023 at $27,330. The Cabanalytics Business Data and Insights Platform provides subscribers with a monthly report of anonymized consumer purchase data, in order to assist them with forecasting and planning their future product decisions and implementing appropriate marketing initiatives.

E-commerce segment performance

	Three months ended October 31			Year Ended October 31		
	2024	2023	Change	**2024**	2023	Change
	$	$	Δ	**$**	$	Δ
Cannabis and CBD products	**3,946**	5,230	(25)%	**17,150**	22,101	(22)%
Consumption accessories	**3,745**	5,443	(31)%	**20,037**	33,791	(41)%
Data analytics, advertising and other revenue	**82**	22	273%	**675**	83	713%
Total revenue	**7,773**	10,695	(27)%	**37,862**	55,975	(32)%
Cost of goods sold	**3,327**	5,158	(36)%	**20,011**	29,793	(33)%
Gross profit	**4,446**	5,537	(20)%	**17,851**	26,182	(32)%
Gross profit margin[(i)]	**57%**	52%	6%	**47%**	47%	—%
Operating expenses	**12,723**	39,427	(68)%	**25,028**	58,573	(57)%
Loss from operations	**(8,277)**	(33,890)	76%	**(7,177)**	(32,391)	(78)%
Depreciation and amortization	**1,464**	1,424	3%	**3,729**	3,852	(3)%
Share-based compensation	**27**	(284)	(110)%	**201**	578	(65)%
Impairment	**4,964**	34,265	(86)%	**4,964**	34,265	(86)%
Adjusted EBITDA[(i)]	**(1,822)**	1,515	(220)%	**1,717**	6,304	(73)%
Adjusted EBITDA margin[(i)]	**(23)%**	14%	(38)%	**5%**	11%	(7)%

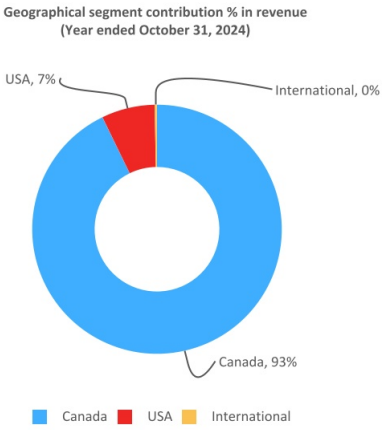
(i) Gross profit margin, adjusted EBITDA and adjusted EBITDA margin are non-IFRS measure

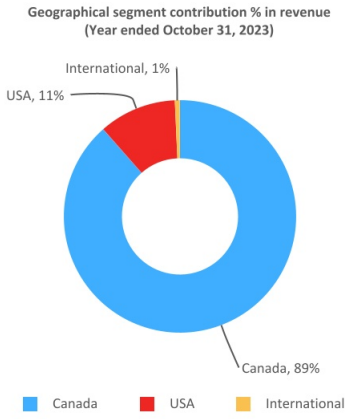
Revenues in the Company's E-commerce segment decreased 32% to $37,862 for the year ended October 31, 2024, (October 31, 2023: $55,975). The decrease in revenue is due to a change in consumers preferences to purchase products in store rather than online, as well as increased competition within the CBD and Smoking Accessories industries.

For the year ended October 31, 2024, the Company continued experience declines in revenues within the E-commerce segment. Despite having reduction in the revenue for the current year the Company has managed operating expenses allowing it to maintain a positive Adjusted EBITDA of $1,717 in the current year (October 31, 2023: $6,304).

Performance by geographical markets:

Geographical markets





Geographical markets represent revenue based on the geographical locations of the customers who have contributed to the revenue. The following is a representation of these geographical markets. The Company's geographic segments are characterized as follows:

Canada: Within Canada, the Company operates 184 (as of October 31, 2024) of its branded retail cannabis stores under the Canna Cabana brand, and 2 branded cannabis stores under Meta Cannabis Supply Co brand in addition to its Canadian warehouse operations which primarily service their retail locations.

USA: Within the USA the Company operates its e-commerce platforms including Smoke Cartel, Grasscity, Daily High Club, DankStop, NuLeaf Naturals and FABCBD, as well as USA sales on the international e-commerce platforms. In addition, the Company operates a warehouse which primarily service their e-commerce operations.

International: Within the International markets the Company operates its e-commerce platform Blessed CBD, as well as international sales on the aforementioned e-commerce platforms.

The following presents information related to the Company's geographical market.

For the year ended October 31	**Canada 2024 $**	Canada 2023 $	**USA 2024 $**	**USA** 2023 $	**International 2024 $**	**International** 2023 $	**Total 2024 $**	Total 2023 $
Revenue	**484,444**	431,694	**36,061**	52,780	**1,801**	3,195	**522,306**	487,669
Cost of goods sold	**359,118**	326,867	**20,011**	28,204	**675**	1,284	**379,804**	356,355
Gross profit	**125,326**	104,827	**16,050**	24,576	**1,126**	1,911	**142,502**	131,314
Gross profit margin[(i)]	**26%**	24%	**45%**	47%	**63%**	60%	**27%**	27%
Operating expenses	**110,896**	113,486	**25,454**	54,713	**1,149**	4,540	**137,499**	172,739
Income (loss) from operations	**14,430**	(8,659)	**(9,404)**	(30,137)	**(23)**	(2,629)	**5,003**	(41,425)
Depreciation and amortization	**21,716**	28,950	**3,660**	3,797	**17**	14	**25,393**	**32,761**
Share-based compensation	**2,975**	5,034	**-**	-	**-**	-	**2,975**	**5,034**
Impairment	**-**	-	**4,176**	30,653	**788**	3,612	**4,964**	**34,265**
Adjusted EBITDA[(i)]	**39,121**	25,325	**(1,568)**	4,313	**782**	997	**38,335**	**30,635**

(i) Gross profit margin and Adjusted EBITDA are non-IFRS measures

As at October 31	**Canada 2024 $**	**Canada 2023** $	**USA 2024 $**	USA 2023 $	**International 2024 $**	**International** 2023 $	**Total 2024 $**	**Total** 2023 $
Current assets	**77,037**	55,787	**7,940**	11,386	**812**	1,472	**85,789**	68,645
Non-current assets	**129,115**	126,579	**27,634**	34,006	**3,670**	4,171	**160,419**	164,756
Current liabilities	**57,692**	50,968	**3,580**	5,958	**208**	1,211	**61,480**	58,137
Non-current liabilities	**36,680**	37,308	**2,252**	3,814	**284**	476	**39,216**	41,598

The Company continues to operate primarily in Canada with a focus on increasing its footprint across the Canadian provinces that it operates in. During the year ended October 31, 2024, the Company expanded its footprint in Canada by opening 29 stores. As a result of the expansion and growth of same-store sales, revenues for the Canadian operations increased by 12% for the year ended October 31, 2024.

During the year ended October 31, 2024, the Company has seen a decrease in revenue from USA operations by 32% which is being driven by overall competitive pressure in the global CBD sector, as well as a decrease in consumer spending on accessories due to economic pressures.

Within the international CBD and accessories space, the Company has seen the entrance of many new competitors, in addition to an overall softening in the CBD sector which has impacted revenue growth leading to the decline in revenue from international sales by 44% for the year ended October 31, 2024 compared to the year ended October 31, 2023.

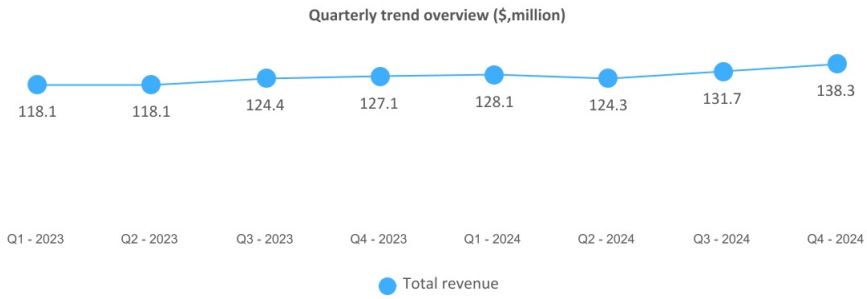
Under the revised segments, Canadian operations closely aligns with the bricks and mortar segment while USA and international operations closely aligns with the e-commerce segments. Differences between the geographic regions and the segments is related to corporate overhead allocation which is incurred in Canada and allocated to each segment proportionally based on a percentage of revenues generated by each segment.

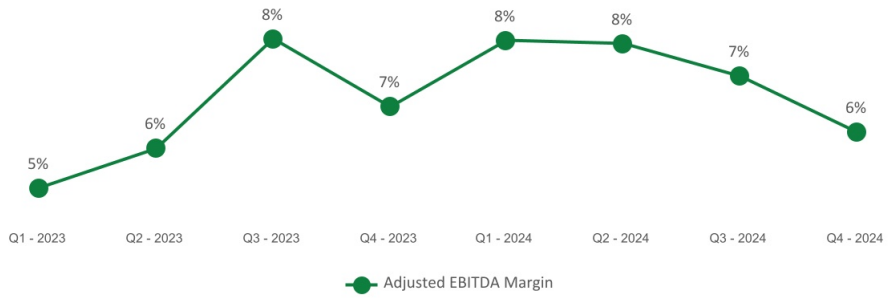
Summary of quarterly results:

	2024				2023			
	Q4	**Q3**	**Q2**	**Q1**	Q4	Q1	Q2	Q1
Free cash flow	5,908	3,092	9,383	3,608	5,687	4,051	(1,951)	(847)
Cash and cash equivalents	47,267	35,254	34,540	28,685	30,121	25,697	22,487	23,696
Cannabis and CBD products	120,259	115,667	107,959	108,908	111,846	106,952	100,172	97,542
Consumption accessories	7,128	6,972	7,323	11,378	7,899	10,724	11,292	13,828
Data analytics, advertising and other revenue	10,908	9,046	8,977	7,782	7,360	6,676	6,672	6,706
Total revenue	**138,295**	**131,685**	**124,259**	**128,068**	**127,105**	**124,352**	**118,136**	**118,076**
Adjusted EBITDA [(i)]	8,245	9,614	10,041	10,435	8,362	10,184	6,590	5,500
Adjusted EBITDA margin[(i)]	6%	7%	8%	8%	7%	8%	6%	5%
(Loss) income from operations	(2,831)	3,055	1,987	2,792	(34,204)	(662)	(2,642)	(3,922)
Net loss	(4,802)	825	171	(5)	(31,805)	(3,717)	(1,568)	(3,862)
Adjusted Net income (loss) before impairment [(ii)]	162	825	171	(5)	2,460	(3,717)	(1,568)	(3,862)
Basic and diluted income (loss) per share	(0.06)	0.01	0.00	0.00	(0.39)	(0.04)	(0.02)	(0.05)

(i) Free cash flow, Adjusted EBITDA and adjusted EBITDA Margin are non-IFRS financial measures, and accordingly, the Company's use of such term may not be comparable to similarly defined measures presented by other entities. A reconciliation of the Adjusted EBITDA to Net (Loss) income is found under "EBITDA and Adjusted EBITDA of "Select Financial Highlights and Operating Performance" section on page 8.

(ii) Adjusted Net income (loss) before impairment is a non-IFRS measure.







Key highlights include:

- Period-over-period revenue growth of 9%.
- Period-over-period Adjusted EBITDA margin of 6% (October 31, 2023:7%) on account of new stores taking longer to maturity given ramp up period.
- Period-over-period free cash flow of $5.9 (October 31, 2023:$5.7) on account of continued growth in number of stores.

Financial position, liquidity and capital resources:

Assets

As of October 31, 2024, the Company had a cash and cash equivalent balance of $47,267 (October 31, 2023: $30,121).

Working capital including cash as of October 31, 2024, was a surplus of $24,309 (October 31, 2023: surplus $10,508). Working capital is a non-IFRS measure and is calculated as the difference between total current assets and total current liabilities. The change is primarily due to the settlement of convertible debentures and moving the notes payable, with a maturity of December 31, 2024, from non-current liabilities to current liabilities. These transactions provide the Company enough liquidity for its working capital needs.

Total assets of the Company were $246,208 on October 31, 2024, compared to $233,401 on October 31, 2023.

Liabilities

Total liabilities increased to $100,696 as at October 31, 2024, as compared to $99,735 as of October 31, 2023, primarily due to a new secured debentures and offset by payments made on convertible debenture.

During the year, the Company issued $10,000 of bond debentures at a 10% discount, for net cash proceeds of $8,700 with 12% coupon rate. There are three parties subscribed to the initial bond offering. The bonds were issued and cash was received by the Company on August 7, 2024 with a maturity of 5 years. In connection with the bond issuance, the Company issued 230,760 shares for consideration of $800 for issuance cost.

Subsequent to October 31, 2024, the Company issued $5,000 of bond debentures at a 10% discount, for net cash proceeds of $4,464 ($4,500 cash proceeds net $36 in issuance costs), with a 12% coupon rate. The bonds were issued and cash received by the Company on November 13, 2024 with a maturity of 5 years.

Summary of Outstanding Share Data

The Company had the following securities issued and outstanding as at the date of this MD&A:

Securities [(i)]	Units Outstanding [(ii)]
Common shares	80,898,905
Warrants	4,852,560
Stock options	2,652,954
RSUs	687,747

(i) Refer to the Consolidated Financial Statements for a detailed description of these securities.
(ii) Securities outstanding are shown on post-consolidation basis. In connection with listing on the Nasdaq, on May 14, 2021, the Company underwent a 15:1 consolidation. As of October 31, 2024, no warrants with a 15:1 exercise right were outstanding.

ATM Program

Pursuant to the Company's ATM Program that allows the Company to issue up to $30 million (or the equivalent in U.S. dollars) of Common Shares from the treasury to the public from time to time, at the Company's discretion and subject to regulatory requirements, as required pursuant to National Instrument 44-102 – Shelf Distributions and the policies of the TSXV, the Company announces that, during the year ended October 31, 2024, the Company issued an aggregate of 1,057,300 Common Shares over the Nasdaq or TSXV, for aggregate gross proceeds of $3,154.

Pursuant to an Equity Distribution Agreement cash commission of $48 on the aggregate gross proceeds raised was paid to the Agents in connection with their services under the Equity Distribution Agreement during year ended October 31, 2024.

The Company intends to use the net proceeds of the ATM Program at the discretion of the Company, to fund strategic initiatives it is currently developing, to support the growth and development of the Company's existing operations, funding future acquisitions as well as working capital and general corporate purposes.

Common Shares issued pursuant to the ATM Program are issued pursuant to a prospectus supplement dated August 31, 2023 (the "Canadian Prospectus Supplement") to the Company's final base shelf prospectus dated August 3, 2023, filed with the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada (the "Canadian Shelf Prospectus") and pursuant to a prospectus supplement dated August 31, 2023 (the "U.S. Prospectus Supplement") to the Company's U.S. base prospectus dated August 3, 2023 (the "U.S. Base Prospectus") included in its registration statement on Form F-10 (the "Registration Statement") and filed with the U.S. Securities and Exchange Commission (the "SEC"). The Canadian Prospectus Supplement and Canadian Shelf Prospectus are available for download from SEDAR+ at www.sedarplus.ca, and the U.S. Prospectus Supplement, the U.S. Base Prospectus and Registration Statement are accessible via EDGAR on the SEC's website at www.sec.gov.

The ATM Program is effective until the earlier of (i) the date that all Common Shares available for issue under the ATM Program have been sold, (ii) the date the Canadian Prospectus Supplement in respect of the ATM Program or Canadian Shelf Prospectus is withdrawn and (iii) the date that the ATM Program is terminated by the Company or Agents.

Cash Flows

During the year ended October 31, 2024, the Company's cash and cash equivalents increased to $47,267 as compared to $30,121 as of October 31, 2023 .

Total cash provided by operating activities was $35,546 for the year ended October 31, 2024 as compared to $20,661 for the year ended October 31, 2023. The increase in operating cash inflows is primarily driven by the continued increase in same-store sales, the building of new stores in the period, and gross margin improvements within the bricks and mortar locations.

Cash used in investing activities for the year ended October 31, 2024 was $11,010 (October 31, 2023:$5,716) primarily due to the opening of 29 new stores during the period.

Cash used in financing activities for the year ended October 31, 2024 was $7,723 (October 31, 2023: $9,262) which is primarily related to the settlement of convertible debentures and payments of loans and borrowings offset by proceeds received from secured debentures.

Liquidity

connectFirst Credit Facility

On August 15, 2022, the Company entered into a $19,000 demand term loan with connectFirst credit union (the "Credit Facility") with Tranche 1 - $12,100 available in a single advance, and Tranche 2 - $6,900 available in multiple draws subject to pre-disbursement conditions set. The demand loan bears interest at the Credit Union's prime lending rate plus 2.50% per annum and is set to mature on September 5, 2027.

The first tranche, is repayable on demand, otherwise the connectFirst Credit Facility is repaid in monthly blended payments of principal and interest of $241. Blended payments may be adjusted from time to time, if necessary, based on connectFirst's prime lending rate, the principal outstanding and amortization period remaining. On October 7, 2022, the Company received the inflow of funds for the first tranche. The purpose of the first tranche was to pay outstanding loans.

The second tranche is also repayable on demand, otherwise the connectFirst Credit Facility is repaid in monthly blended payments of principal and interest of $147. Blended payments may be adjusted from time to time, if necessary, on the basis of connectFirst prime lending rate, the principal outstanding and the amortization period remaining. On October 25, 2022, the Company received the inflow of funds for the second tranche Interest rate and terms (60 months) are the same as the first tranche. The purpose of the second tranche is to finance working capital and set up new organic stores.

In connection with the connectFirst Credit Facility, the Company provided:

a) A general security agreement comprising a first charge security interest over all present and after acquired personal property, registered at Personal Property Registry and provided an unlimited guarantee and postponement of claim granted by Canna Cabana (including supporting corporate documents);

b) A general security agreement comprising a first charge security interest over all present and after-acquired personal property, registered at Personal Property Registry and provided an unlimited guarantee and postponement of claim granted by Meta Growth (including supporting corporate documents);

c) A general security agreement comprising a first charge security interest over all present and after-acquired personal property, registered at Personal Property Registry and provided an unlimited guarantee and postponement of claim granted by 2680495 Ontario Inc. (including supporting corporate documents);

d) A general security agreement comprising a first charge security interest over all present and after-acquired personal property, registered at Personal Property Registry and provided an unlimited guarantee and postponement of claim granted by Valiant Distributions (including supporting corporate documents); and

e) A general security agreement comprising a first charge security interest over all present and after-acquired personal property, registered at the Personal Property Registry.

Covenants attached to the loan:

a) The Company's debt service coverage ratio shall be not less than 1.40:1, to be tested at the end of each fiscal quarter of the Company based on a trailing four-quarters basis using consolidated financial statements. As at October 31, 2024, the Company was in compliance with the debt service coverage ratio.

b) The Company shall at all times maintain in the Company's account with connectFirst the greater of $7,500 and 50% of the aggregate debt of the Company to connectFirst. A five-business day cure period is permitted. Included in the Cash and cash equivalents is $7,900 held in the Company's account with connectFirst. As at October 31, 2024, the Company was in compliance with the funded cash requirement .

c) The Company shall at all times maintain a current ratio of not less than 1.25:1, to be tested monthly using consolidated financial statements. As at October 31, 2024, the Company was in compliance with the current ratio.

d) The Company shall at all times maintain a funded debt to EBITDA ratio of not more than 3:1, to be tested quarterly on a consolidated basis beginning January 31, 2023. As at October 31, 2024, the Company was in compliance with the funded debt to EBITDA ratio.

As of October 31, 2024, the Company has met all the covenants attached to the loan.

Capital Management

The Company's objectives when managing capital resources are to:

(i) Explore profitable growth opportunities;
(ii) Deploy capital to provide an appropriate return on investment for shareholders;
(iii) Maintain financial flexibility to preserve the ability to meet financial obligations; and
(iv) Maintain a capital structure that provides financial flexibility to execute on strategic opportunities.

The Company's strategy is formulated to maintain a flexible capital structure consistent with the objectives stated above as well to respond to changes in economic conditions and to the risks inherent in its underlying assets. The Board of Directors does not establish quantitative return on capital criteria for management, but rather promotes year-over-year sustainable profitable growth. The Company's capital structure consists of equity and working capital. To maintain or alter the capital structure, the Company may adjust capital spending, take on new debt and issue share capital. The Company anticipates that it will have adequate liquidity to fund future working capital, commitments, and forecasted capital expenditures through a combination of cash flow, cash-on-hand and financings as required.

Off Balance Sheet Transactions

The Company does not have any financial arrangements that are excluded from the Consolidated Financial Statements as of October 31, 2024, nor are any such arrangements outstanding as of the date of this MD&A.

Transactions between related parties:

As at October 31, 2024, the Company had the following transactions with related parties as defined in IAS 24 – Related Party Disclosures, except those pertaining to transactions with key management personnel in the ordinary course of their employment and/or directorship arrangements and transactions with the Company's shareholders in the form of various financing.

Operational transactions

An office and warehouse unit has been developed by Grover Properties Inc., a company that is related through a common controlling shareholder and the President & CEO of the Company. The office and warehouse space were leased to High Tide to accommodate the Company's operational expansion. The lease was established by an independent real estate valuations services company at prevailing market rates and has annual lease payments totaling $386 per annum. The primary lease term is 5 years that ended on December 31, 2023. The Company has exercised the option to extend the lease for five years with one additional 5-year term extensions exercisable remaining at the option of the Company.

Financing transactions

On August 15, 2022, the Company entered into a $19,000 demand term loan with Connect First credit union (the "Credit Facility") with Tranche 1 - $12,100 available in a single advance, and Tranche 2 - $6,900 available in multiple draws subject to pre-disbursement conditions set. To facilitate the credit facility, the president and CEO of the Company provided limited Recourse Guarantee against $5,000 worth of High Tide Inc. shares held by the CEO, and affiliates, to be pledged in favor of the Credit Union until the earlier of:

(i) 12 months following initial funding, provided all covenants of High Tide Inc. are in good standing; and
(ii) The CEO no longer being an officer of High Tide Inc.

The parties agree that this personal guarantee will only be available after all collection efforts against High Tide Inc. have been exhausted, including the sale of High Tide Inc.

Key management personnel

Key management personnel is comprised of Company's Executive Team and Board. Key management compensation for the year ended October 31, 2024 are as follows:

	2024	2023
	$	$
Short-term compensation	**2,688**	2,671
Termination benefits	**310**	225
Share-based compensation	**2,070**	2,452
Total	**5,068**	5,348

Financial instruments:

The Company's activities expose it to a variety of financial risks. The Company is exposed to credit, liquidity, interest and market risk due to holding certain financial instruments. This note presents information about changes to the Company's exposure to each of these risks, its objectives, policies, and processes for measuring and managing risk, and its management of capital during the year. Further quantitative disclosure is included throughout these consolidated financial statements. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Fair value

The Company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

The Company assessed that the fair values of cash and cash equivalents, trade and other receivable, accounts payable and accrued liabilities, and current liabilities approximate their carrying amounts largely due to the short-term nature of these instruments.

The following methods and assumptions were used to estimate the fair value:

- Marketable securities (excluding long term GIC's) are determined based on level 1 inputs, as the prices for the marketable securities are quoted in public exchanges.
- The Convertible Debentures are evaluated by the Company based on level 2 inputs such as the effective interest rate and the market rates of comparable securities. The convertible debentures are initially recorded at fair value and subsequently measured at amortized cost and at each reporting period accretion incurred in the period is recorded to transaction costs in the consolidated statement of loss and comprehensive loss.

Credit risk

Credit risk arises when a party to a financial instrument will cause a financial loss for the counter party by failing to fulfill its obligation. The maximum exposure to credit risk is equal to the carrying value (net of allowances) of the financial assets. The objective of managing credit risk is to prevent losses on financial assets. The Company assesses the credit quality of counterparties, considering their financial position, past experience, and other factors. Cash and cash equivalents consist of bank balances. Credit risk associated with cash is minimized substantially by ensuring that these financial assets are held in highly rated financial institutions. The Company holds all cash and cash equivalents with large commercial banks or credit unions, which minimizes credit risk.

The following table sets forth details of the aging profile of accounts receivable and the allowance for expected credit loss:

As at	**October 31, 2024**	October 31, 2023
	$	$
Current (for less than 30 days)	**2,619**	2,449
31 – 60 days	**79**	1,234
61 – 90 days	**19**	934
Greater than 90 days	**1,116**	3,390
Less allowance	**(525)**	(536)
	3,308	7,471

Accounts receivable consist primarily of accounts receivable from invoicing for products and services rendered. The Company's credit risk arises from the possibility that a customer which owes the Company money is unable or unwilling to meet its obligations in accordance with the terms and conditions in the contracts with the Company, which would result in a financial loss for the Company. This risk is mitigated through established credit management techniques, including monitoring customer's creditworthiness, setting exposure limits and monitoring exposure against these customer credit limits.

For the year ended ended October 31, 2024 $395 (year ended October 31, 2023 $1,102) in trade receivables were written off against the loss allowance due to bad debts and $775 (October 31,2023 - $1,102) was written off directly to bad debts. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The remaining accounts receivable are evaluated by the Company based on parameters such as interest rates, specific country risk factors, and individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the estimated losses of these receivables.

The Company performs a regular assessment of collectability of accounts receivables. In determining the expected credit loss amount, the Company considers the customer's financial position, payment history and economic conditions.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company generally relies on funds generated from operations, equity and debt financing to provide sufficient liquidity to meet budgeted operating requirements and to supply capital to expand its operations. The Company continues to seek capital to meet current and future obligations as they come due. The Company's ability to manage its liquidity risk going forward will require some or all of the following: the ability to continue generate positive cash flows from operations and to secure capital or credit facilities on reasonable terms.

Maturities of the Company's financial liabilities are as follows:

	Contractual Cash Flows	**Less than one year**	**1-3 years**	**4-5 years**	**Greater than 5 years**
	$	$	$	$	$
Accounts payable and accrued liabilities	23,809	23,809	-	-	-
Notes payable	14,039	13,974	-	-	65
Interest bearing loans and borrowings	12,891	12,891	-	-	-
Secured Debentures	10,000	-	-	10,000	-
Undiscounted lease obligations	46,421	11,913	18,870	11,174	4,464
Balance, October 31, 2024	**107,160**	**62,587**	**18,870**	**21,174**	**4,529**

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in the market interest rate related primarily to the Company's current credit facility with variable interest rates.

At October 31, 2024, approximately 64% of the Company's borrowings are at a fixed rate of interest (October 31, 2023: 45%).

At October 31, 2024, assuming all other variables remain constant, a fluctuation of +/- 1.0 percent in the interest rate would impact the interest payment by approximately +/- $129 (October 31, 2023: $161).

Foreign currency risk

Foreign currency risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company maintains cash balances and enters into transactions denominated in foreign currencies, which exposes the Company to fluctuating balances and cash flows due to variations in foreign exchange rates. The Canadian dollar equivalent carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities as at October 31, 2024 was as follows:

As at	October 31, 2024				October 31, 2023
(Canadian dollar equivalent amounts of GBP, EUR, USD)	**(GBP)**	**(EUR)**	**(USD)**	**Total**	Total
	$	**$**	**$**	**$**	$
Cash	583	381	2,328	**3,292**	4,119
Trade and other receivables	67	15	360	**442**	984
Accounts payable and accrued liabilities	(89)	(346)	(2,434)	**(2,869)**	(5,866)
Net monetary assets	561	50	254	**865**	(763)

Assuming all other variables remain constant, a fluctuation of +/- 5.0 percent in the exchange rate between USD and the Canadian dollar would impact the carrying value of the net monetary assets by approximately +/- $19 (October 31, 2023 - $55). Maintaining constant variables, a fluctuation of +/- 5.0 percent in the exchange rate between the EUR and the Canadian dollar would impact the carrying value of the net monetary assets by approximately +/- $2 (October 31, 2023 - $15), and a fluctuation of +/- 5.0 percent in the exchange rate between GBP and the Canadian dollar would impact the carrying value of the net monetary assets by approximately +/- $28 (October 31, 2023 - $32). To date, the Company has not entered into financial derivative contracts to manage exposure to fluctuations in foreign exchange rates.

Significant accounting judgement, estimates and assumptions

A. Use of significant estimates

Significant accounting estimates are those that require management to make assumptions about matters that are highly uncertain at the time the estimate or assumption is made. Significant accounting estimates are also those that could potentially have a material impact on the Company's financial results where a different estimate or assumption is used. The significant areas of estimation uncertainty are:

Expected credit losses

The Company's trade receivables are typically short-term in nature and the Company recognizes an amount equal to the lifetime expected credit losses ("ECL"). The Company measures lifetime ECLs based on historical experience and including forecasted economic conditions. The amount of ECLs is sensitive to changes in circumstances of forecast economic conditions.

Inventory valuation

Inventory is carried at the lower of cost and net realizable value; in estimating net realizable value, the Company makes estimates related to obsolescence, future selling prices, seasonality, customer behavior, and fluctuations in inventory levels.

Business combinations

In a business combination, all identifiable assets, liabilities and contingent liabilities acquired are recorded at their fair values. One of the most significant estimates relates to the determination of the fair value of these assets and liabilities such as intangible assets and goodwill. For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent valuation expert or management develop the fair value, using valuation techniques, which are generally based on a forecast of the total expected future cash flows. The valuations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and the discount rate applied. Certain fair values may be estimated at the acquisition date pending confirmation or completion of the valuation process. When provisional values are used in

accounting for a business combination, they may be adjusted retrospectively in subsequent periods. However, the measurement period will last for up to one year from the acquisition date.

Taxation

The calculations for current and deferred taxes require management's interpretation of tax regulations and legislation in the various tax jurisdictions in which the Company operates, which are subject to change. The measurement of deferred tax assets and liabilities requires estimates of the timing of the reversal of temporary differences identified and management's assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income before they expire, which involves estimating future taxable income.

The Company is subject to assessments by various taxation authorities in the tax jurisdictions in which it operates, and these taxation authorities may interpret the tax legislation and regulations differently. In addition, the calculation of income taxes involves many complex factors. As such, income taxes are subject to measurement uncertainty and actual amounts of taxes may vary from the estimates made by management.

Deferred tax assets

Deferred tax assets, including those arising from tax loss carry-forwards, require management to assess the likelihood that the Company will generate sufficient taxable income in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on management's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted.

Impairments

The recoverable amounts of a Cash Generating Unit ("CGU") and individual assets have been determined as the higher of the CGU or the asset's fair value less costs to sell and its value in use. These calculations require the use of estimates and assumptions and are subject to changes, as new information becomes available including information on the likelihood of obtaining future licenses, total addressable market, market share escalation factor, gross margin escalation factor, terminal multiple and discount rates. Changes in assumptions used in determining the recoverable amount could affect the carrying value of the related assets and CGU's.

B. Judgements

Judgement is used in situations when there is a choice and/or assessment required by management. The following are critical judgements apart from those involving estimations, that management has made in the process of applying the Company's accounting policies and that have a significant effect on the amounts recognized in the consolidated financial statements.

Determination of CGUs

For the purposes of assessing impairment of non-financial assets, the Company must determine CGUs. Assets are allocated to CGUs based on the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Determination of what constitutes a CGU is subject to management judgement. The asset composition of a CGU can directly impact the recoverability of assets included within the CGU. The determination of the Company's CGUs was based on management's judgement in regards to the generation of cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. For the Company, this is store level for bricks and mortar retail sales and subsidiaries for e-commerce.

For the purposes of assessing impairment for goodwill, the Company groups CGUs on the basis of which CGUs utilize and benefit from the goodwill acquired in the business combinations. For the Company, this includes all bricks & mortar retail as one CGU and subsidiaries for e-commerce as one CGU.

Estimated useful lives, residual values and depreciation of property and equipment

Depreciation of property and equipment is dependent upon estimates of useful lives and residual values, which are determined through the exercise of judgement.

Estimated useful lives of intangibles

Amortization of intangible assets is dependent upon estimates of useful lives, lease terms and residual values which are determined through the exercise of judgement.

Fair value of financial instruments

The individual fair values attributed to different components of a financing transaction are determined using valuation techniques. The Company uses judgement to select the methods used to make certain assumptions and in performing the fair value calculations in order to determine; (a) the values attributable to each component of a transaction at the time of their issuance; (b) the fair value measurement for certain instruments that require subsequent measurement at fair value on a recurring basis; and (c) for disclosing the fair value of financial instruments subsequently carried at amortized cost. These valuation estimates could be significantly different because of the use of judgement and the inherent uncertainty in estimating the fair value of these instruments that are not quoted in an active market.

Consolidation

The determination of which entities require consolidation is subject to management judgement regarding levels of control, assumptions of risk and other factors that may ultimately include or exclude an entity from the classification of a subsidiary or other entity requiring consolidation.

Disclosure controls and procedures and internal controls over financial reporting:

The Chief Executive Officer and Chief Financial Officer of the Company have designed or caused to be designed under their supervision, disclosure controls and procedures which provide reasonable assurance that material information regarding the Company is accumulated and communicated to Management, including its Chief Executive Officer and Chief Financial Officer, in a timely manner. Under the supervision and with the participation of Management, including our Chief Executive Officer and Chief Financial Officer, we carried out an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Canada by NI 52-109 and in the United States by the rules adopted by the SEC). In addition, the Chief Executive Officer and Chief Financial Officer of the Company are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that the design and operation of our disclosure controls and procedures were ineffective due to the material weakness identified in our internal control over financial reporting, as further described below.

Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management assessed the effectiveness of the Company's internal control over financial reporting as of October 31, 2024, based on the criteria set forth in Internal Control – Integrated Framework (2013 Framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that assessment, Management has concluded that our internal control over financial reporting (ICFR) was not effective as of October 31, 2024, due to a material weaknesses in our internal controls over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. Management identified the following internal control deficiency that constitutes a material weakness in the Company's ICFR as of October 31, 2024.

Consistent with previous periods the Company did not effectively design, implement, and operate effective process-level control activities related to various processes or engage an adequate number of accounting personnel to allow for a detailed review of significant and non-routine accounting transactions that would identify errors in a timely manner, including business combinations, impairment testing and financing arrangements. For the year ended October 31, 2024, the Company engaged third party specialists to assist management in applying valuation methodologies and determining complex inputs into valuation models. As of October 31, 2024, a material weakness continues to exist in the operating effectiveness of controls over significant and non-routine accounting transactions as a result of insufficient capacity in its financial reporting function to identify and detect material misstatements. Management continues to hire qualified resources to increase capacity. Further remediation efforts are required for the Company to fully remediate this material weakness.

In addition, as previously disclosed in the Company's Management Discussion and Analysis for the year ended October 31, 2021 a material weakness in internal controls over accounting for income taxes, including the income tax provision, deferred tax assets and liabilities and related disclosures existed. For the year ended October 31, 2024 in order to remediate the material weakness, the Company invested in a qualified full time tax professional to manage and oversee the preparation of the above noted items as well as to file tax returns on a timely basis and to ensure the provisions appropriate reflected the accounting records. Further to this, the Company engaged a third party professional services firm to continue to assist management in the preparation of the tax provisions and to assist management in completing a detailed review over all completed deliverables. Additional oversight and review controls were designed and implemented during the period. Based on the remediation efforts, which included the design, implementation and testing of internal controls over the accounting for income taxes during the fiscal year, Management has concluded that the material weakness in internal controls over accounting for income taxes, including the income tax provision, deferred tax assets and liabilities and related disclosures has been remediated as of October 31, 2024

Cautionary note regarding forward-looking information:

Certain statements contained in this MD&A, and in the documents incorporated by reference in this MD&A, constitute "forward-looking information" and "forward-looking statements" (together "forward-looking statements") within the meaning of Applicable Securities Laws and are based on assumptions, expectations, estimates and projections as at the date of this MD&A. Forward-looking statements relate to future events or future performance and reflect Management's expectations or beliefs regarding future events. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology.

Forward-looking statements in this MD&A herein include, but are not limited to, statements with respect to:

- the Business objectives and milestones and the anticipated timing of, and costs in connection with, the execution or achievement of such objectives and milestones (including, without limitation proposed M&A);
- the Company's future growth prospects and intentions to pursue one or more viable Business opportunities;
- the development of the Business and future activities following the date of this MD&A;
- the closing of announced acquisitions;
- expectations relating to market size and anticipated growth in the jurisdictions within which the Company may from time to time operate or contemplate future operations;
- the ability of the Company to enter into new markets following cannabis legalization, including the United States and Germany;
- expectations with respect to economic, Business, regulatory, or competitive factors related to the Company or the cannabis industry generally;
- the market for the Company's current and proposed product offerings, as well as the Company's ability to capture market share;
- the Company's strategic investments and capital expenditures, and related benefits;
- the distribution methods expected to be used by the Company to deliver its product offerings;
- same-store sales and consolidated gross margins continuing to increase;
- the competitive landscape within which the Company operates and the Company's market share or reach;
- the performance of Business operations and activities of the Company;
- the number of additional cannabis retail store locations the Company proposes to add to its Business, with Ontario representing the lion's share of the increase;
- the Company's ability to obtain, maintain, and renew or extend, applicable Authorizations, including the timing and impact of the receipt thereof;
- the realization of cost savings, synergies or benefits from the Company's recent and proposed acquisitions, and the Company's ability to successfully integrate the operations of any business acquired within the Business;
- the Company's intention to devote resources to the protection of its intellectual property rights, including by seeking and obtaining registered protections and developing and implementing standard operating procedures;
- the anticipated sales from continuing operations;
- the intention of the Company to complete the ATM Program and any additional offering of securities of the Company and the aggregate amount of the total proceeds that the Company will receive pursuant to the ATM Program, connectFirst Credit Facility, or any future offering;
- the Company's expected use of the net proceeds from the ATM Program, connectFirst Credit Facility, or any future offering;
- the anticipated effects of the ATM Program and connectFirst Credit Facility and/or any future offering on the Business and operations of the Company;
- the listing of Common Shares offered in the 2023 ATM Program and/or any future offering;
- the Company deploying Fastendr™ technology across the Company's retail stores upon the timelines disclosed herein;
- the Company's ability to generate cash flow from operations and from financing activities and remain free cash flow positive;

- future initiatives to strengthen the performance of our e-commerce platforms;
- the Company continuing to increase its revenue;
- the Company continuing to integrate and expand its CBD brands;
- Cabana Club and Cabana ELITE loyalty programs membership continuing to increase;
- the Company continuing to increase its ELITE product offerings;
- the effects of the ELITE program on the business and operations of the Company;
- the ability of the Company to reach its goals of 300 stores nationwide and 2 million Cabana Club members;
- the timelines for its international launch to become revenue and EBITDA neutral;
- the ability of the Company to use cash generated from existing operations to fund future locations;
- the Company hitting its forecasted revenue and sales projections;
- changes in general and administrative expenses;
- future Business operations and activities and the timing thereof;
- the future tax liability of the Company;
- the estimated future contractual obligations of the Company; and
- the future liquidity and financial capacity of the Company; and its ability to fund its working capital requirements and forecasted capital expenditures.

Forward-looking statements are subject to certain risks and uncertainties. Although Management believes that the expectations reflected in these forward-looking statements are reasonable in light of, among other things, its perception of trends, current conditions and expected developments, as well as other factors that Management believes to be relevant and reasonable in the circumstances at the date that such statements are made, readers are cautioned not to place undue reliance on forward-looking statements, as forward-looking statements may prove to be incorrect. A number of factors could cause actual results to differ materially from a conclusion, forecast or projection contained in the forward-looking statements. Importantly, forward-looking statements contained in this MD&A and in documents incorporated by reference are based upon certain assumptions that Management believes to be reasonable based on the information currently available to Management.
By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Although Management believes that the expectations reflected in, and assumptions underlying, such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. New factors emerge from time to time, and it is not possible for Management to predict all of those factors or to assess in advance the impact of each such factor on the Business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

Readers are cautioned that the foregoing is not exhaustive. The forward-looking statements contained in this MD&A and the documents incorporated by reference herein are expressly qualified by this cautionary statement. The forward-looking statements contained in this document speak only as of that date of this document and the Company does not assume any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to Applicable Securities Laws.

These forward-looking statements speak only as of the date of this MD&A or as of the date specified in the documents incorporated by reference into this MD&A. The actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this MD&A: counterparty credit risk; access to capital; limitations on insurance; changes in environmental or legislation applicable to our operations, and our ability to comply with current and future environmental and other laws; changes in income tax laws or changes in tax laws and incentive programs relating to the cannabis industry; and the other factors discussed under “Financial Instruments” in this MD&A.

Additional risk factors that can cause results to differ materially from those expressed in forward-looking statements in this MD&A are discussed in greater detail in the “Non-Exhaustive List of Risk Factors” section in Schedule A to our current annual information form, and elsewhere in this MD&A, as such factors may be further updated from time to time in our periodic filings, available at www.sedarplus.com and www.sec.gov, which risk factors are incorporated herein by reference.

Cautionary note regarding FOFI:

This MD&A, and documents incorporated by reference herein, may contain FOFI within the meaning of Applicable Securities Laws and analogous U.S. securities Laws, about prospective results of operations, financial position or cash flows, based on assumptions

about future economic conditions and courses of action, which FOFI is not presented in the format of a historical balance sheet, income statement or cash flow statement. The FOFI has been prepared by Management to provide an outlook of the Company's activities and results and has been prepared based on a number of assumptions including the assumptions discussed under the heading "Cautionary Note Regarding Forward-Looking Information" and assumptions with respect to the costs and expenditures to be incurred by the Company, capital expenditures and operating costs, taxation rates for the Company and general and administrative expenses. Management does not have, or may not have had at the relevant date, firm commitments for all of the costs, expenditures, prices or other financial assumptions which may have been used to prepare the FOFI or assurance that such operating results will be achieved and, accordingly, the complete financial effects of all of those costs, expenditures, prices and operating results are not, or may not have been at the relevant date of the FOFI, objectively determinable.

Importantly, the FOFI contained in this MD&A, and in documents incorporated by reference herein are, or may be, based upon certain additional assumptions that Management believes to be reasonable based on the information currently available to Management, including, but not limited to, assumptions about: (i) the future pricing for the Company's products, (ii) the future market demand and trends within the jurisdictions in which the Company may from time to time conduct the Business, (iii) the Company's ongoing inventory levels, and operating cost estimates, and (iv) the Company's net proceeds from the ATM Program and connectFirst Credit Facility. The FOFI or financial outlook contained in MD&A, and in documents incorporated by reference herein do not purport to present the Company's financial condition in accordance with IFRS as issued by the International Accounting Standards Board, and there can be no assurance that the assumptions made in preparing the FOFI will prove accurate. The actual results of operations of the Company and the resulting financial results will likely vary from the amounts set forth in the analysis presented in any such document, and such variation may be material (including due to the occurrence of unforeseen events occurring subsequent to the preparation of the FOFI). The Company and Management believe that the FOFI has been prepared on a reasonable basis, reflecting Management's best estimates and judgments as at the applicable date. However, because this information is highly subjective and subject to numerous risks including the risks discussed under the heading "Risk Assessment", FOFI or financial outlook within this MD&A, and in documents incorporated by reference herein, should not be relied on as necessarily indicative of future results.

Readers are cautioned not to place undue reliance on the FOFI, or financial outlook contained in this MD&A, and in documents incorporated by reference herein. Except as required by Applicable Securities Laws, the Company does not intend, and does not assume any obligation, to update such FOFI.

Non-IFRS Financial Measures

Throughout this MD&A, references are made to non-IFRS financial measures, including operating expenses and loss from operation excluding impairment loss, EBITDA and Adjusted EBITDA. These measures do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. Non-IFRS measures provide investors with a supplemental measure of the Company's operating performance and therefore highlight trends in Company's core Business that may not otherwise be apparent when relying solely on IFRS measures. Management uses non-IFRS measures in measuring the financial performance of the Company.

Risk Assessment

Management defines risk as the evaluation of probability that an event might happen in the future that could negatively affect the financial condition, results of operations and/or reputation of the Company. The risk assessment section describes can be found in the Company Annual Information Form (AIF) of the fiscal year ended October 31, 2024.

Glossary of terms:

In this MD&A, unless otherwise indicated or if the context otherwise requires, "Adjusted EBITDA" has the meaning ascribed thereto under the heading "EBITDA and Adjusted EBITDA"; "Agents" means collectively ATB Capital Markets Inc. and ATB Capital Markets USA Inc.; "Applicable Securities Laws" means, as applicable, the securities legislation, securities regulation and securities rules, and the policies, notices, instruments and blanket orders of each Canadian securities regulator having the force of applicable law and in force from time to time; "ATM Program" means the at-the-market equity offering program of the Company established pursuant to the Canadian Prospectus Supplement and U.S. Prospectus Supplement on August 31, 2023, which allows the Company to issue up to $30,000,000 (or the equivalent in U.S. dollars) of Common Shares from its treasury to the public from time to time, at the Company's discretion and subject to regulatory requirements; "Authorizations" means, collectively, all consents, licenses, registrations, permits, authorizations, permissions, orders, approvals, clearances, waivers, certificates, and declarations issued, granted, given or otherwise made available by or under the authority of any government entity or pursuant to any requirement under applicable law; "Blessed CBD" means Enigmaa Ltd., operating as 'Blessed CBD'; "Board" means the board of directors of the Company, as constituted from time to time; "Business" means the business carried on by High Tide and its subsidiaries as at the date of this MD&A, and where the context so requires, includes the business carried on by High Tide and its subsidiaries prior to the date of this MD&A; "Canadian Shelf Prospectus" means the Company's final base shelf prospectus dated August 3, 2023 filed with the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada; "Cannabis" or "cannabis" means the plant Cannabis sativa L; "CBD" means industrial Hemp-based cannabidiol; "Common Shares" means the common shares in the capital of the Company; "connectFirst" means Connect First Credit Union Ltd.; "ConnectFirst Credit Facility" has the meaning ascribed thereto under the heading "connectFirst Credit Facility"; "DankStop" means DS Distribution Inc., operating as 'Dankstop.com'; "Daily High Club" or "DHC" means DHC Supply LLC.; "EBITDA" means earnings before interest, taxes, depreciation and amortization; "Equity Distribution Agreement" means the equity distribution agreement dated August 31, 2023 entered into among the Company and Agents associated with the ATM Program; "FABCBD" means Fab Nutrition, LLC.; "FOFI" means future oriented financial information; "GBP" means British pound sterling; "Grasscity" means collectively, SJV B.V. and SJV2 B.V; "IAS" means International Accounting Standards; "Person" includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative or government (including any governmental entity), syndicate or other entity, whether or not having legal status; "M&A" means mergers and acquisitions; "Management" means the management of the Company, as constituted from time to time; "NI 52-109" means National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings; "SEC" means the U.S. Securities and Exchanges Commission; "NuLeaf Naturals" means NuLeaf Naturals, LLC; "Registration Statement" means the Company's registration statement on Form F-10 in connection with the Company becoming a registrant effective June 2, 2021 with the SEC upon the Company's Form 40-F registration statement becoming effective; "Smoke Cartel" means Smoke Cartel Inc.; "U.K." means the United Kingdom; "U.S." means United States of America; "U.S. Base Prospectus" means the Company's U.S. base prospectus dated August 3, 2023 included in the Registration; "USD" United States dollars; and "Warrants" means the Common Share purchase warrants of the Company.

High Tide is a high-impact, retail-forward enterprise built to deliver real-world value across every component of cannabis. The Company's shares are listed on the Nasdaq Capital Market ("Nasdaq") under the ticker symbol "HITI" as of June 2, 2021, the TSX Venture Exchange ("TSXV") under the symbol "HITI", and the Frankfurt Stock Exchange under the securities identification code 'WKN: A2PBPS' and the ticker symbol "2LYA". The address of the Company's corporate and registered office is # 112, 11127 15 Street NE, Calgary, Alberta, T3K 2M4.

Exhibit 99.1



HIGH TIDE INC.

Annual Information Form
For the Fiscal Year Ended October 31, 2024
Dated: January 29, 2024

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ANNUAL INFORMATION FORM

This Annual Information Form (as defined below) is dated as of January 29, 2024 (the "**AIF Date**"), and unless otherwise indicated, the information contained herein is dated as of the last day of the most recently completed financial year of High Tide Inc. ended October 31, 2024 (the "**Fiscal Year-End Date**").

In this Annual Information Form, unless otherwise indicated or if the context otherwise requires, (i) **High Tide**" means High Tide Inc., and where the context so requires, includes its predecessors, (ii) the "**Corporation**", "**we**", "**us**" and "**our**" means, collectively, High Tide and its Subsidiaries (as defined below), together with their respective predecessors (where the context so requires), (iii) "**Material Adverse Effect**" means a material adverse effect on the Business (as defined below), the properties, assets, liabilities (including contingent liabilities), results of operations, financial performance, financial condition, or the market and trading price of the securities, of the Corporation and its Subsidiaries, taken as a whole, and (iv) "**Hemp**" means the plant Cannabis sativa L. and any part of that plant, including the seeds thereof, and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a THC (as defined below) concentration of not more than 0.3% on a dry weight basis.

All financial information and all dollar amounts in this Annual Information Form are prepared in Canadian dollars, unless otherwise indicated, and in accordance with IFRS (as defined below) as issued by the International Accounting Standards Board, and as set out in Part I of the Handbook of the Chartered Professional Accountants of Canada.

On May 13, 2021, the Corporation consolidated all of its issued and outstanding Common Shares (as defined below) on a 15:1 basis (the "**Consolidation**"). All references to the Common Shares and securities issuable into Common Shares in this Annual Information Form, other than in documents dated prior to May 13, 2021 that are incorporated by reference in this Annual Information Form, reflect post-Consolidation amounts unless otherwise indicated or the context otherwise requires. All documents dated prior to May 13, 2021 that are incorporated by reference in this Annual Information Form reflect pre-Consolidation amounts unless otherwise indicated or the context otherwise requires.

GLOSSARY OF TERMS

The following is a glossary of certain terms used in this Annual Information Form. Words importing the singular, where the context requires, include the plural and vice versa, and words importing any gender include all genders.

"**2014 Farm Bill**" means the *Agricultural Act of 2014* (U.S.), including any regulations promulgated thereunder, as amended.

"**2018 Farm Bill**" means the *Agriculture Improvement Act of 2018* (U.S.), including any regulations promulgated thereunder, as amended.

"**2020 Meta Circular**" means the management information circular of Meta Growth, dated September 23, 2020.

"**2021 ATM Program**" means the at-the-market equity offering program of the Corporation established pursuant to the 2021 ATM Prospectus Supplement on December 6, 2021, which allowed the Corporation to issue up to $40,000,000 (or the equivalent in U.S. dollars) of Common Shares from its treasury to the public from time to time, at the Corporation's discretion and subject to regulatory requirements.

"**2021 ATM Prospectus Supplement**" means the prospectus supplement of the Corporation dated December 3, 2021 relating to the 2021 ATM Program.

"**2021 Short Form Prospectus**" means the short form base shelf prospectus dated April 22, 2021, as supplemented by the prospectus supplements dated May 20, 2021 and July 20, 2022 and the 2021 ATM Prospectus Supplement.

"**2022 Information Circular**" means the management information circular of the Corporation dated April 19, 2022.

"**2023 ATM Program**" means the at-the-market equity offering program of the Corporation established pursuant to the 2023 ATM Prospectus Supplement on August 31, 2023, which allows the Corporation to issue up to $30,000,000 (or the equivalent in U.S. dollars) of Common Shares from its treasury to the public from time to time, at the Corporation's discretion and subject to regulatory requirements.

"**2023 ATM Prospectus Supplement**" means the prospectus supplement of the Corporation dated August 31, 2023 relating to the 2023 ATM Program.

"**2023 Equity Distribution Agreement**" means the equity distribution agreement dated August 31, 2023 entered into between the Corporation and ATB Capital Markets Inc. and ATB Capital Markets USA Inc. in connection with the 2023 ATM Program.

"**2024 Information Circular**" means the management information circular of the Corporation dated May 27, 2024.

"**2023 Short Form Prospectus**" means the short form base shelf prospectus dated August 3, 2023, as supplemented by the 2023 ATM Prospectus Supplement.

"**3 Sixty**" means 3 Sixty Risk Solutions Ltd.

"**ABCA**" means the *Business Corporations Act* (Alberta), including any regulations promulgated thereunder, as amended.

"**AGCO**" means the Alcohol and Gaming Commission of Ontario.

"**AGLC**" means the Alberta Gaming, Liquor and Cannabis Commission (formerly, Alberta Gaming, and Liquor Commission).

"**AGLC Handbook**" means the Retail Cannabis Store Handbook published by the AGLC.

"**Amended Halo APA**" means the amended and restated asset purchase agreement dated September 1, 2020 and entered into by High Tide and Halo, as the same may be amended, restated, modified or supplemented from time to time.

"**Annual Financial Statements**" means the audited consolidated financial statements of the Corporation for the years ended October 31, 2024, and 2023 and the notes thereto, together with the auditor's report thereon.

"**Annual Information Form**" means this annual information form of High Tide for the financial year ended October 31, 2024, dated January 29, 2025.

"**Applicable Securities Laws**" means, as applicable, the securities legislation, securities regulation and securities rules, and the policies, notices, instruments and blanket orders of each Canadian securities regulator having the force of applicable Law and in force from time to time.

"**ASA**" means the U.K. Advertising Standards Agency.

"**Audit Committee Charter**" means the charter for the Audit Committee, as adopted.

"**Audit Committee**" means the audit committee of the Board, as constituted from time to time.

"**Authorizations**" means, collectively, all consents, licenses, registrations, permits, authorizations, permissions, orders, approvals, clearances, waivers, certificates, and declarations issued, granted, given or otherwise made available by or under the authority of any Government Entity or pursuant to any requirement under applicable Law.

"**Awards**" means Options, Stock Appreciation Rights, restricted share awards, RSUs, performance shares, performance units, cash-based awards and other share-based awards issuable pursuant to the Omnibus Plan.

"**BC Handbook**" means the Cannabis Retail Terms and Conditions.

"**Bill 26**" means Bill 26, *An Act to Control and Regulate Cannabis* (Alberta).

"**Bill 36**" means Bill 36, *An Act to enact a new Act and make amendments to various other Acts respecting the use and sale of cannabis and vapour products in Ontario.*

"**Bill 6**" means the *Gaming and Liquor Statues Amendment Act, 2018.*

"**Blessed**" means Enigmaa Ltd., operating as 'Blessed CBD'.

"**Board**" means the board of directors of High Tide, as constituted from time to time.

"**Boreal**" means 2080791 Alberta Ltd., operating as "Boreal Cannabis Company".

"**Bud Heaven**" means Livonit Foods Inc.

"**Bud Room**" means Bud Room Inc.

"**Business**" means the business carried on by High Tide and its Subsidiaries as at AIF Date, and where the context so requires, includes the business carried on by High Tide and its Subsidiaries prior to the AIF Date.

"**Canna Cabana**" means Canna Cabana Inc., a wholly owned Subsidiary formed under the ABCA on November 1, 2020, pursuant to articles of amalgamation filed in respect of the amalgamation of Old Canna Cabana and Canna (SK).

"**Canna SK**" means Canna Cabana (SK) Inc., a former, wholly owned Subsidiary incorporated under the ABCA, which amalgamated with Old Canna Cabana, on November 1, 2020, to form Canna Cabana.

"**Cannabis Act**" means the *Cannabis Act* (Canada), including any regulations promulgated thereunder, as amended.

"**Cannabis Laws**" means, all applicable State, provincial, municipal, or federal legislation and regulations governing cannabis, cannabis paraphernalia, cannabis products, cannabis accessories, cannabis extracts, and activities related thereto in the United States, Canada and other jurisdictions in which the Corporation operates the Business, together with any successor legislation and regulations thereto, and for greater certainty, includes the Cannabis Act and Cannabis Regulations.

"**Cannabis Regulations**" means the *Cannabis Regulations* (Canada), including any regulations promulgated thereunder, as amended.

"**Cannabis**" or "**cannabis**" means the plant Cannabis sativa L.

"**Cash-Based Awards**" means an Award denominated in cash and granted pursuant to the Omnibus Plan.

"**CBD**" means industrial Hemp-based cannabidiol.

"**CBPM**" means an unlicensed cannabis-based product for medicinal use.

"**CCA**" means the *Cannabis Control Act* (Ontario).

"**CCAA**" means the *Companies' Creditors Arrangement Act* (Alberta), including any regulations promulgated thereunder, as amended.

"**CCLA**" means the *Cannabis Control and Licensing Act* (British Columbia).

"**CCSA**" means the *Cannabis Control (Saskatchewan) Act*.

"**CDA**" means the *Cannabis Distribution Act* (British Columbia).

"**Choom**" means Choom Holdings Inc. and its subsidiaries.

"**CLA**" means *Cannabis Licence Act, 2018* (Ontario).

"**CLR**" means the *Cannabis Licensing Regulation*.

"**Common Shares**" means the common shares in the capital of High Tide.

"**Compensation Committee**" means the compensation committee of the Board, as constituted from time to time.

"**connect First**" means Connect First Credit Unition Ltd.

"**Crossroads**" means Crossroads Cannabis.

"**Daily High Club**" means DHC Supply LLC, operating as 'Daily High Club'.

"**Dankstop**" means DS Distribution Inc., operating as 'DankStop.com'.

"**DEA**" means the U.S Drug Enforcement Administration.

"**Delta-8**" means Delta-8 tetrahydrocannabinol.

"DSHEA" means the *Dietary Supplement Health and Education Act of 1994* (United States).

"EBITDA" means earnings before interest, taxes, depreciation, and amortization.

"**FABCBD**" means Fab Nutrition, LLC.

"**Fair Market Value"** means, at any date when the fair market value of Common Shares is to be determined, the Market Price of the Common Shares, or if the Common Shares are not listed on any stock exchange, the value as is determined solely by the committee or subcommittee of the Board, acting reasonably and in good faith.

"**FDA**" means U.S. Food and Drug Administration.

"**FDCA**" mean *Federal Food, Drug and Cosmetic Act* (United States).

"**Federal Paraphernalia Law**" means U.S. Code Title 21 Section 863.

"**FOFI**" means future oriented financial information.

"**forward-looking statements**" means statements contained in this Annual Information Form, and in the documents incorporated by reference in this Annual Information Form, which constitute "forward-looking information" and "forward-looking statements" within the meaning of Applicable Securities Laws and are based on assumptions, expectations, estimates and projections as at the AIF Date.

"**FSA**" means the U.K. Food Standards Agency.

"**FSE**" means the Frankfurt Stock Exchange.

"**FTC**" means the U.S. Federal Trade Commission.

"**FTCA**" means the *Federal Trade Commission Act* (United States).

"**GLCA**" means the *Gaming, Liquor and Cannabis Act*.

"**GLCR**" means the *Gaming, Liquor and Cannabis Regulation*.

"**GMC**" means the U.K.'s General Medical Council.

"**Governmental Entities**" means: (a) any international, multi-national, national, federal, provincial, territorial, State, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, commissioner, minister, cabinet, governor in council, ministry, agency or instrumentality, domestic or foreign, including, for greater certainty, the AGCO, the Saskatchewan Liquor and Gaming Authority, the LGCA, and AGLC, (b) any subdivision or authority of any of the foregoing, (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, or (d) any stock exchange, including, for greater certainty, the TSXV.

"**Grasscity Entities**" means collectively, SJV B.V. and SJV 2 B.V.

"**Halo**" means Halo Collective Inc. (formerly Halo Labs Inc.).

"**High Tide**" means High Tide Inc., a corporation incorporated under the ABCA, and where the context so requires, includes its predecessors.

"**HMR**" means the Human Medicines Regulations 2012 (U.K.) .

"**Home Office**" means the U.K. Home Office

"IFR" means Interim Final Rule.

"**IFRS**" means International Financial Reporting Standards.

"**IND Preclusion**" means section 201(ff)(3)(B)(ii) of the FDCA.

"IND" means Investigational New Drug Application.

"**Jimmy's Cannabis**" means 1171882 B.C. Ltd., operating as 'Jimmy's Cannabis Shop BC'.

"**Key Personnel**" means collectively Management and certain consultants.

"**KushBar**" means KushBar Inc., a wholly owned Subsidiary incorporated under the ABCA.

"**Laws**" means, with respect to any Person, any and all applicable law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended, unless expressly specified otherwise, and for greater certainty, includes Cannabis Laws.

"**LCRB**" means the British Columbia Liquor and Cannabis Regulation Branch.

"**LGCA**" means the Liquor, Gaming and Cannabis Authority of Manitoba.

"**Licensed Producers**" means any Person duly authorized by Health Canada pursuant to applicable Laws to engage in the cultivation, production, growth or distribution of cannabis.

"**Management**" means the management of High Tide, as constituted from time to time.

"**Manitoba Cannabis Regulation**" means the *Cannabis Regulation*, 120/2018 (Manitoba).

"**MBLL**" means the Manitoba Liquor and Lotteries Company .

"**MDA**" means *Misuse of Drugs Act 1971* (U.K.).

"**MDR 2001**" means The Misuse of Drugs Regulations 2001 (U.K.) .

"**Meta Growth**" means Meta Growth Corp., a wholly owned Subsidiary incorporated under the ABCA.

"**MHRA**" means the U.K. Medicines and Healthcare Products Regulatory Agency.

"**Nasdaq**" means the Nasdaq Stock Market.

"**NFR**" means Regulation (EU) 2015/2283.

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees.*

"**NuLeaf**" means NuLeaf Naturals, LLC.

"**OCS**" means the Ontario Cannabis Store.

"**Old Canna Cabana**" means Canna Cabana Inc., a former, wholly owned Subsidiary incorporated under the ABCA, which amalgamated with Canna SK, on November 1, 2020, to form Canna Cabana.

"**Omnibus Plan**" means the fixed 20% equity incentive omnibus plan of the Corporation, as amended.

"**Ontario Cannabis Regulations**" means the General Regulation under the CLA.

"**Options**" means the incentive stock options of High Tide granted pursuant to the Omnibus Plan.

"**Participants**" means all directors, officers, employees, management company employees and consultants of the Corporation or its affiliates.

"**Performance Award**" means an Award of performance shares or performance units.

"**Person**" includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative or government (including any Governmental Entity), syndicate or other entity, whether or not having legal status.

"**POCA**" means the U.K. Proceeds of Crime Act 2002.

"**Predecessor Plans**" means the Stock Option Plan and RSU Plan.

"**Product Safety Regulations**" means the Product Safety and Metrology etc. (Amendment to Extent and Meaning of Market) (European Union Exit) Regulations 2019 and subsequent amendments.

"**Retail Store Authorization**" means, collectively, the Authorizations required to engage in the retail sale and distribution of adult-use cannabis and cannabis products at licensed premises.

"**Retail Store Operator Licence**" means a retail operator licence.

"**SCPN**" means U.K.'s 'Submit Cosmetic Product Notifications Service'.

"**SEC**" means the U.S. Securities and Exchanges Commission.

"**Secured Debenture**" means the secured convertible debentures of High Tide.

"**SEDI**" means the System for Electronic Disclosure by Insiders.

"**Sessions Memorandum**" means the U.S. Department of Justice Memorandum issued by former Attorney General James Jeff Sessions on January 4, 2018.

"**SLGA**" means the Saskatchewan Liquor and Gaming Authority.

"**Smoke Cartel**" means Smoke Cartel USA Inc.

"**Smoker's Corner**" means Smoker's Corner Ltd.,.

"**Staff Notice 51-352**" means Staff Notice 51-352 (Revised) – *Issuers with U.S. Marijuana-Related Activities*.

"**State**" means a state in the United States.

"**Stock Appreciation Rights**" means a right granted to a Participant pursuant the Omnibus Plan to receive payment, for each Common Share subject to such Award, of an amount equal to the excess, if any, of the Fair Market Value of a Common Share on the date of exercise of the Award over the exercise price thereof.

"**Subsidiary**" means a Person that is controlled directly or indirectly by another Person and includes a subsidiary of that subsidiary.

"**Supremacy Clause**" means the supremacy clause in Article VI of the U.S. Constitution.

"**THC**" means Delta-9 tetrahydrocannabinol.

"**Trading Warrants**" means certain Warrants of High Tide which, effective November 19, 2020, began trading on the TSXV under the symbol HITI.WT.

"**TSXV**" means the TSX Venture Exchange.

"**U.K.**" means the United Kingdom.

"**U.S. CSA**" means the *Controlled Substance Act of 1970* (U.S.).

"**U.S. GAAP**" means U.S. generally accepted accounting principles.

"**United States**" or "**U.S.**" means the United States of America and its territories and possessions.

"**Unsecured Debentures**" means the unsecured convertible debentures of High Tide which effective November 19, 2020 began trading on the TSXV under the symbol HITI.DB.

"USDA" means the U.S. Department of Agriculture.

"**Valiant Canada**" means Valiant Distribution Canada Inc., a wholly owned Subsidiary formed under the ABCA on November 1, 2020, pursuant to articles of amalgamation filed in respect of the amalgamation of RGR Canada and Canna SK.

"Valiant" means Valiant Distribution Inc., a wholly owned Subsidiary, incorporated under the Laws of the State of Delaware on April 6, 2019.

"**Warrants**" means the Common Share purchase warrants of High Tide.

MARKET AND INDUSTRY DATA

Unless otherwise indicated, information contained in this Annual Information Form (or in a document incorporated or deemed to be incorporated by reference herein) concerning the industry and the markets in which the Corporation operates, including its general expectations and market position, market opportunities and market share, is, or may be, based on information from independent industry organizations, other third-party sources (including industry publications, surveys and forecasts) and the studies and estimates of Management.

Unless otherwise indicated, the Corporation's estimates are derived from publicly available information released by independent industry analysts and third-party sources as well as data from the Corporation's internal research, and include assumptions made by Management which Management believe to be reasonable based on their knowledge of the relevant industry and markets. Such internal research and assumptions have not been verified by any independent source, and the Corporation and Management have not independently verified any third-party information. While Management believes the market position, market opportunity and market share information included, or which may be included, in this Annual Information Form or in a document incorporated or deemed to be incorporated by reference herein is generally reliable, such information is inherently imprecise. In addition, projections, assumptions and estimates of the Corporation's future performance and the future performance of the industry and markets in which the Corporation operates are subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the headings "*Cautionary Note Regarding Forward-Looking Information*" and "*Risk Factors*".

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this Annual Information Form, and in the documents incorporated by reference in this Annual Information Form, constitute "forward-looking information" and "forward-looking statements" (together, "**forward-looking statements**") within the meaning of Applicable Securities Laws and are based on assumptions, expectations, estimates and projections as at the AIF Date. Forward-looking statements relate to future events or future performance and reflect Management's expectations or beliefs regarding future events. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology.

Forward-looking statements in this Annual Information Form and in documents incorporated by reference herein include, but are not limited to, statements with respect to:

- the Business objectives and milestones and the anticipated timing of, and costs in connection with, the execution or achievement of such objectives and milestones;
- the Corporation's future growth prospects and intentions to pursue one or more viable business opportunities;
- the development of the Business and future activities following the AIF Date;
- expectations relating to market size and anticipated growth in the jurisdictions within which the Corporation may from time to time operate or contemplate future operations;
- expectations with respect to economic, business, regulatory or competitive factors related to the Corporation or the cannabis industry generally;
- the market for the Corporation's current and proposed product offerings, as well as the Corporation's ability to capture market share;
- the Corporation's strategic investments and capital expenditures, and related benefits;
- the distribution methods expected to be used by the Corporation to deliver its product offerings;
- the competitive landscape within which the Corporation operates and the Corporation's market share or reach;
- the performance of the Business and the operations and activities of the Corporation;
- the Corporation's ability to generate cash flow from operations and from financing activities;
- the Corporation's ability to obtain, maintain, and renew or extend, applicable Authorizations, including the timing and impact of the receipt thereof;
- the realization of cost savings, synergies or benefits from the Corporation's recent and proposed acquisitions, and the Corporation's ability to successfully integrate the operations of any business acquired within the Business;
- the Corporation's intention to devote resources to the protection of its intellectual property rights, including by seeking and obtaining registered protections and developing and implementing standard operating procedures;
- the intention of the Corporation to complete the 2023 ATM Program and any additional offering of securities of the Corporation and the aggregate amount of the total proceeds that the Corporation will receive pursuant to the 2023 ATM Program, September 2022 Credit Facility or any future offering;

- the Corporation's expected use of the net proceeds from the 2023 ATM Program, September 2022 Credit Facility or any future offering;
- the anticipated effects of the 2023 ATM Program, September 2022 Credit Facility or any future offering on the Business and operations of the Corporation;
- the listing of Common Shares offered in the 2023 ATM Program or any future offering;
- the closing of the acquisition of Purecan pursuant to the Purecan Acquisition Agreement; and
- the Corporation's ability to generate cash flow from operations and from financing activities.

Forward-looking statements are subject to certain risks and uncertainties. Although Management believes that the expectations reflected in these forward-looking statements are reasonable in light of, among other things, its perception of trends, current conditions and expected developments, as well as other factors that Management believes to be relevant and reasonable in the circumstances at the date that such statements are made, readers are cautioned not to place undue reliance on forward-looking statements, as forward-looking statements may prove to be incorrect. A number of factors could cause actual results to differ materially from a conclusion, forecast or projection contained in the forward-looking statements. Importantly, forward-looking statements contained in this Annual Information Form and in documents incorporated by reference are based upon certain assumptions that Management believes to be reasonable based on the information currently available to Management, including, but not limited to, the assumptions that:

- current and future members of Management will abide by the Business objectives and strategies from time to time established by the Corporation;
- the Corporation will retain and supplement its Board and Management, or otherwise engage consultants and advisors having knowledge of the industries (or segments thereof) within which the Corporation may from time to time participate;
- the Corporation will have sufficient working capital and the ability to obtain the financing required in order to develop and continue its business and operations;
- the Corporation will continue to attract, develop, motivate and retain highly qualified and skilled consultants or employees, as the case may be;
- no adverse changes will be made to the regulatory framework governing cannabis, taxes and all other applicable matters in the jurisdictions in which the Corporation conducts business and any other jurisdiction in which the Corporation may conduct business in the future;
- the Corporation will be able to generate cash flow from operations, including, where applicable, distribution and sale of cannabis and cannabis products;
- the Corporation will be able to execute on its business strategy as anticipated;
- the Corporation will be able to meet the requirements necessary to obtain or maintain Authorizations required to conduct the Business;
- general economic, financial, market, regulatory, and political conditions will not negatively affect the Corporation or its Business;
- the Corporation will be able to successfully compete in the cannabis industry;
- cannabis prices will not decline materially;
- the Corporation will be able to effectively manage anticipated and unanticipated costs;
- the Corporation will be able to maintain internal controls over financial reporting and disclosure, and procedures in order to ensure compliance with applicable Laws;
- the Corporation will be able to conduct its operations in a safe, efficient and effective manner;
- general market conditions will be favourable with respect to the Corporation's future plans and goals;
- the Corporation will complete the 2023 ATM Program;
- the Corporation will use the net proceeds from the 2023 ATM Program, September 2022 Credit Facility or any future offering as outlined;
- the Corporation will list the Common Shares offered in the 2023 ATM Program or any future offering;
- the Corporation will make interest payments for the September 2022 Credit Facility;
- the 2023 ATM Program, September 2022 Credit Facility or any future offering will have the anticipated effects on the Business and operations of the Corporation;
- the Corporation will reach the anticipated sales from continuing operations;
- the Corporation will complete its proposed acquisitions;
- same-store sales and consolidated gross margins will continue to increase;
- the Corporation will make meaningful increases to its revenue profile;
- the Corporation will continue to increase its revenue;
- the Corporation will hit its forecasted revenue and sales projections;
- the Corporation will complete the development of its cannabis retail stores; and
- the Corporation will continue to grow its online retail portfolio through further strategic and accretive acquisitions.

By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Although Management believes that the expectations reflected in, and assumptions underlying, such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. New factors emerge from time to time, and it is not possible for Management to predict all of those factors or to assess in advance the impact of each such factor on the Business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. Some of the risks that could cause results to differ materially from those expressed in forward-looking statements in this Annual Information Form and in documents incorporated by reference herein include:

- the Corporation's inability to attract and retain qualified members of Management to grow the Business and its operations;
- unanticipated changes in economic and market conditions or in applicable Laws;
- the impact of the publications of inaccurate or unfavourable research by securities analysts or other third parties;
- the Corporation's failure to complete future acquisitions or enter into strategic business relationships;
- interruptions or shortages in the supply of cannabis from time to time available to support the Corporation's operations from time to time;
- unanticipated changes in the cannabis industry in the jurisdictions within which the Corporation may from time to time conduct its Business and operations, including the Corporation's inability to respond or adapt to such changes;
- the Corporation's inability to secure or maintain favourable lease arrangements or the required Authorizations necessary to conduct the Business and operations and meet its targets;
- the Corporation's inability to secure desirable retail cannabis store locations on favourable terms;
- risks relating to projections of the Corporation's operations;
- the Corporation will not complete the 2023 ATM Program;
- the Corporation's inability to effectively manage unanticipated costs and expenses, including costs and expenses associated with product recalls and judicial or administrative proceedings against the Corporation;
- the Corporation's inability to list the Common Shares offered in the 2023 ATM Program or in any future offering;
- the Corporation's failure to utilize the use of proceeds from the 2023 ATM Program, and September 2022 Credit Facility or any future offering as expected;
- the Corporation's inability to make interest payments for the September 2022 Credit Facility;
- the Corporation inability to complete its proposed acquisitions;
- same-store sales or consolidated gross margins will not increase, but decease or plateau;
- the Corporation will not hit its forecasted revenue and sales projections;
- the Corporation will be unable to increase its revenue, but that it will decease or plateau;
- the Corporation will be unable to continue to integrate and expand its CBD brands;
- the Corporation will be unable to complete the development of any or all of its cannabis retail stores;
- risks surrounding the legality of Delta-8 derived from Hemp;
- risks surrounding the uncertainty and legality of Delta-8 and Delta-9 state to state;
- risk that the DEA could consider the Corporation's Delta-8 products an illegal controlled substance under the U.S. CSA or Federal Analogue Act in the United States;
- risk that that state or federal regulators or law enforcement could take the position that the Delta-8 and Delta-9 products or this in-process Hemp extract are/is a Schedule I controlled substance in violation of the U.S. CSA and similar State laws;
- risk that the Corporation's Delta-9 products could be considered by state law enforcement and state regulators to be marijuana illegal under state laws criminalizing the possession, distribution, trafficking and sale of marijuana;
- risk that should the Corporation become subject to enforcement action by federal or state agencies, the Corporation could: (i) be forced to stop offering some or all of it Delta-8 and Delta-9 products or stop all Business operations, (ii) be subject to other civil or criminal sanctions or (iii) be required to defend against such enforcement and if unsuccessful could cause the Corporation to cease its operations; and
- risk that enforcement or regulatory action at the United States federal or state level could adversely impact the listings of the Common Shares on the TSXV and Nasdaq.

Readers are cautioned that the foregoing list of factors are not exhaustive. The Corporation provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements, and, in evaluating these forward-looking statements, readers should specifically consider various factors, including the risks outlined under the heading "*Risk Factors*", and in documents incorporated by reference herein, which may cause actual results to differ materially from the results, performance or achievements of the Corporation expressed or implied by any forward-looking statements.

The forward-looking statements contained herein are made as of the AIF Date, and except as required by Applicable Securities Laws, the Corporation does not intend, and does not assume any obligation, to update these forward-looking statements.

CAUTIONARY NOTE REGARDING FUTURE ORIENTED FINANCIAL INFORMATION

This Annual Information Form, and documents incorporated by reference herein, may contain FOFI within the meaning of Applicable Securities Laws and analogous U.S. securities Laws, about prospective results of operations, financial position or cash flows, based on assumptions about future economic conditions and courses of action, which FOFI is not presented in the format of a historical balance sheet, income statement or cash flow statement. The FOFI has been prepared by Management to provide an outlook of the Corporation's activities and results and has been prepared based on a number of assumptions including the assumptions discussed under the heading "*Cautionary Note Regarding Forward-Looking Information*" and assumptions with respect to the costs and expenditures to be incurred by the Corporation, capital expenditures and operating costs, taxation rates for the Corporation and general and administrative expenses. Management does not have, or may not have had at the relevant date, firm commitments for all of the costs, expenditures, prices or other financial assumptions which may have been used to prepare the FOFI or assurance that such operating results will be achieved and, accordingly, the complete financial effects of all of those costs, expenditures, prices and operating results are not, or may not have been at the relevant date of the FOFI, objectively determinable.

Importantly, the FOFI contained in this Annual Information Form, and in documents incorporated by reference herein are, or may be, based upon certain additional assumptions that Management believes to be reasonable based on the information currently available to Management, including, but not limited to, assumptions about: (i) the future pricing for the Corporation's products, (ii) the future market demand and trends within the jurisdictions in which the Corporation may from time to time conduct the Business, (iii) the Corporation's ongoing inventory levels, and operating cost estimates, (iv) the Corporation's net proceeds from the 2023 ATM Program, and September 2022 Credit Facility. The FOFI or financial outlook contained in Annual Information Form, and in documents incorporated by reference herein do not purport to present the Corporation's financial condition in accordance with IFRS as issued by the International Accounting Standards Board, and there can be no assurance that the assumptions made in preparing the FOFI will prove accurate. The actual results of operations of the Corporation and the resulting financial results will likely vary from the amounts set forth in the analysis presented in any such document, and such variation may be material (including due to the occurrence of unforeseen events occurring subsequent to the preparation of the FOFI). The Corporation and Management believe that the FOFI has been prepared on a reasonable basis, reflecting Management's best estimates and judgments as at the applicable date. However, because this information is highly subjective and subject to numerous risks including the risks discussed under the heading "*Risk Factors*", FOFI or financial outlook within this Annual Information Form, and in documents incorporated by reference herein, should not be relied on as necessarily indicative of future results.

Readers are cautioned not to place undue reliance on the FOFI, or financial outlook contained in this Annual Information Form, and in documents incorporated by reference herein. Except as required by Applicable Securities Laws, the Corporation does not intend, and does not assume any obligation, to update such FOFI.

NOTE TO U.S. READERS REGARDING DIFFERENCES BETWEEN UNITED STATES AND CANADIAN REPORTING PRACTICES

The Corporation prepares its financial statements in accordance with IFRS, which differs from U.S. GAAP. Accordingly, the financial statements incorporated by reference in this Annual Information Form, and in the documents incorporated by reference in this Annual Information Form, may not be comparable to financial statements of United States companies prepared in accordance with U.S. GAAP.

CERTAIN DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Annual Information Form from documents filed with the various securities commissions or similar regulatory authorities in Canada and the SEC. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of the Corporation at Unit 112, 11127-15 Street N.E. Calgary, Alberta T3K 2M4, Telephone: 1-403-703-4272, Email: ir@hightideinc.com, and are also accessible under the Corporation's issuer profile on SEDAR+ at www.sedarplus.ca and on EDGAR at www.sec.gov/edgar.

The following documents, filed with the various securities commission or similar securities regulatory authorities in Canada are specifically incorporated by reference in, and form an integral part of, this Annual Information Form:

(a) the material change report of the Corporation dated February 5, 2021, in respect of the entering into of a binding asset purchase agreement with Halo;

(b) the material change report of the Corporation dated December 17, 2021 in respect of the Corporation launching the 2021 ATM Program;

(c) the 2022 Information Circular;

(d) the material change report of the Corporation dated July 25, 2022 in respect of the Corporation closing the July 2022 Bought Deal Offering;

(e) the material change report of the Corporation dated September 23, 2022 in respect of the Corporation securing the September 2022 Credit Facility;

(f) the material change report of the Corporation dated October 6, 2022 in respect of the entering into of the Jimmy's Cannabis Definitive Agreement;

(g) the material change report of the Corporation dated January 6, 2023 in respect of the closing of the Jimmy's Cannabis Acquisition;

(h) the material change report of the Corporation dated March 10, 2023 in respect of the departure of Rahim Kanji and appointment of Sergio Patino;

(i) the 2023 Short Form Prospectus;

(j) the material change report of the Corporation dated September 11, 2023 in respect of the Corporation launching the 2023 ATM Program;

(k) the material change report of the Corporation dated November 17, 2023 in respect of the Debt Restructuring Agreement;

(l) the material change report of the Corporation dated May 1, 2024 relating to the resignation of Sergio Patino and the appointment of Mayank Mahajan as CFO;

(m) the material change report of the Corporation dated June 20, 2024 relating to the announcement of the Debenture Facility;

(n) the material change report of the Corporation dated July 31, 2024 in respect of the closing of the initial tranche of the Debenture Facility;

(o) the material change report of the Corporation dated November 14, 2024 in respect of the closing of the final tranche of the Debenture Facility;

(p) the material change report of the Corporation dated December 2, 2024 relating to the expansion of the Cabana Club to the US, UK, and EU;

(q) the 2024 Information Circular;

(r) the Annual Financial Statements; and

(s) the management's discussion and analysis of the Corporation for the Annual Financial Statements.

Any statement contained in this Annual Information Form or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Annual Information Form, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a

prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed in its unmodified or superseded form to constitute part of this Annual Information Form.

CORPORATE STRUCTURE

Name, Address and Incorporation

High Tide was incorporated under the ABCA on February 8, 2018, under the name "High Tide Ventures Inc." Effective October 4, 2018, High Tide amended its articles of incorporation and changed its name to "High Tide Inc." On October 4, 2018, High Tide also amended its articles of incorporation and completed a share split of its then outstanding pre-split Common Shares, on the basis of 2.76 post-split Common Shares for each one pre-split Common Share issued and outstanding. On May 13, 2021, the Corporation completed the Consolidation.

The head office of High Tide is located at Unit 112, 11127 – 15 Street N.E., Calgary, Alberta, T3K 2M4 and the registered office of High Tide is located at 120 – 4954 Richard Road SW, Calgary, Alberta, T3E 6L1.

High Tide is a reporting issuer in Canada, in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Northwest Territories, Yukon and Nunavut.

Effective June 2, 2021, the Corporation became a reporting company within the U.S. upon the Corporation's Form 40-F registration statement being declared effective, which occurred concurrently with listing on the Nasdaq.

The Common Shares are listed on the TSXV, under the trading symbol "HITI", on the Nasdaq, under the trading symbol "HITI", and on the FSE, under the trading symbol "2LYA". Effective May 13, 2021, the Corporation's FSE symbol was updated in connection with the Consolidation from "2LY" to "2LYA". Prior to November 19, 2020, the Common Shares were listed on the Canadian Securities Exchange under the trading symbol "HITI" from December 17, 2018 to November 18, 2020.

Effective November 19, 2020, certain warrants and debentures began trading on the TSXV under the symbols "HITI.WT" and "HITI.DB", respectively. As of close of business on September 16, 2021, such debentures were delisted from the TSXV, and as of the close of business on February 6, 2023, such warrants were delisted from the TSXV. Effective February 25, 2021, certain warrants began trading on the TSXV under the symbol "HITI.WR", and as of close of business on February 22, 2024, they were delisted from the TSXV.

Intercorporate Relationships

As at the AIF Date, High Tide has 9 direct and 20 indirect Subsidiaries, 1 direct, majority-owned Subsidiary, and 3 indirect, majority-owned Subsidiaries. High Tide also holds a 50% direct interest in Saturninus Partners, a general partnership existing under the Laws of the Province of Ontario, and 49% indirect interest in 2 partnerships existing under the Laws of the Province of Manitoba.

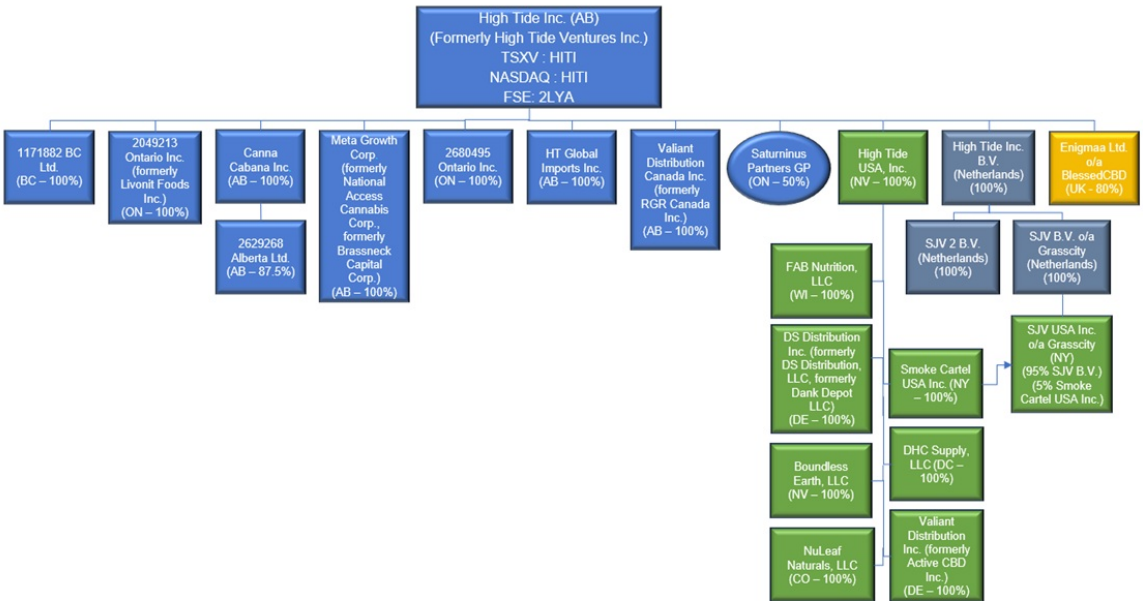
Meta Growth, a wholly owned Subsidiary, has 10 direct and 3 indirect, wholly owned Subsidiaries, 6 indirect, majority-owned Subsidiaries, and 2 indirect, minority-owned Subsidiaries. In addition, Meta Growth holds a 49% direct interest in NAC Northern Alberta Limited Partnership, a limited partnership existing under the Laws of the Province of Alberta, as well as an indirect, 51% interest in NAC Northern Alberta Limited Partnership, and an indirect, 51% interest in each of 2 limited partnerships existing under the Laws of the Province of Manitoba.

As at the AIF Date, the Corporation operates the Business through the following wholly-owned Subsidiaries:

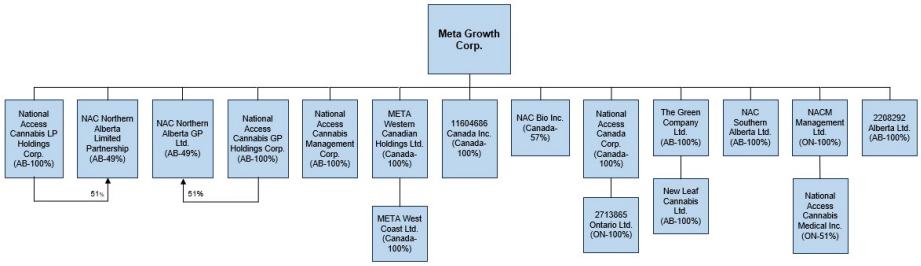
- Canna Cabana, formed under the ABCA.
- Meta Growth, incorporated under the ABCA.
- 2680495 Ontario Inc., incorporated under the Business Corporations Act (Ontario).
- 1171882 BC Ltd., incorporated under the Business Corporations Act (British Columbia).
- Valiant Canada, formed under the ABCA.
- Valiant, incorporated under the Laws of the State of Delaware.
- High Tide Inc. B.V., incorporated under the Laws of the Netherlands.
- Smoke Cartel, incorporated under the Laws of the State of New York.
- FABCBD, incorporated under the Laws of the State of Colorado.

- Daily High Club, incorporated under the Laws of the District of Columbia.
- Dankstop, incorporated under the Laws of Delaware.
- NuLeaf, incorporated under the Laws of Colorado.

The following chart sets out the material intercorporate relationships of the Corporation as at the AIF Date:



The following chart sets out the material intercorporate relationships of Meta Growth, as at the AIF Date:



GENERAL DEVELOPMENT OF THE BUSINESS

The following is a description of the general development of the Business during the last three financial years ended October 31, 2022, 2023 and 2024:

Developments during the Financial Year ended October 31, 2022

- November 29, 2021: the Corporation acquired an 80% equity interest in NuLeaf (the " **NuLeaf Closing**"). The acquisition was completed pursuant to the terms of a plan of merger agreement dated November 29, 2021 between High Tide Inc., Nuleaf Acquisition Corp., Bo Shirley, as member representative and NuLeaf (the "**NuLeaf Acquisition Agreement**"). Pursuant to the terms of the NuLeaf Acquisition Agreement, the Corporation acquired an 80% interest in NuLeaf for US$31,243,000 and acquired a three-year option to acquire the remaining 20% interest in NuLeaf at any time (the "**NuLeaf Acquisition**"). Consideration for the acquisition of the 80% interest in NuLeaf was comprised of: 4,429,809 Common Shares valued at US$31,243,000 on the basis of a deemed price of US$7.0529 per Common Share (the "**NuLeaf Share Consideration**"), being equal to the volume weighted average price per Common Share on the Nasdaq for the 10 consecutive trading days preceding the NuLeaf Closing.
    - In addition, pursuant to the terms of the NuLeaf Acquisition Agreement:
        - NuLeaf granted the Corporation an option to acquire all the remaining equity interests in NuLeaf, thus allowing the Corporation to become the sole equity holder of NuLeaf (the "**NuLeaf Call Option**"), at an enterprise value equal to the trailing twelve months of adjusted EBITDA multiplied by 7.1, exercisable at any time for a period of three years from the NuLeaf Closing;
        - The Corporation granted NuLeaf, an option to put to the Corporation, the remaining equity interest in NuLeaf not held by the Corporation, at the same enterprise value of the NuLeaf Call Option, exercisable by NuLeaf for a period of eighteen months following the first anniversary of the NuLeaf Closing (the "**Nuleaf Put Option**");
- The NuLeaf Put Option was exercised with an effective date of April 2, 2023 for closing, for consideration of US$1,575,000 in the form of a note payable.
- December 6, 2021: High Tide established the 2021 ATM Program which allowed the Corporation to issue up to $40,000,000 (or the equivalent in U.S. dollars) of Common Shares from treasury to the public from time to time, at the Corporation's discretion and subject to regulatory requirements. Any Common Shares sold through the 2021 ATM Program were sold at prevailing market prices when issued (i) in ordinary brokers' transactions on the Nasdaq or another U.S. marketplace on which the Common Shares are listed, quoted or otherwise traded or (ii) in ordinary brokers' transactions on the TSXV, or another Canadian marketplace on which the Common Shares are listed, quoted or otherwise traded. The 2021 ATM Program was terminated on May 22, 2023 upon expiry of the 2021 Short Form Prospectus.
- February 9, 2022: the Corporation acquired a 100% equity interest in Bud Room (the " **Bud Room Acquisition**"), as well as the assignments of the vendors' shareholder loans for 674,650 Common Shares, valued at $3,600,000, on the basis of a deemed price of $5.3361 per Common Share, being equal to the 10-day VWAP. The Bud Room Acquisition was completed pursuant to the terms of a share purchase agreement dated January 5, 2022 (the "**Bud Room Acquisition Agreement**"). In connection with the Bud Room Acquisition Agreement, the Corporation also acquired all rights to the customized Fastendr™ retail kiosk and smart locker technology and Bud Room's retail cannabis store located at 1910 St. Laurent Blvd in Ottawa, Ontario. In connection with a post-closing working capital adjustment provision, a $12,000 adjustment to the purchase price was made and paid out by the Corporation.
- April 19, 2022: the Board approved the adoption of the Omnibus Plan, which was ratified by disinterested shareholders of the Corporation on June 2, 2022. The Omnibus Plan replaced the Corporation's previously adopted Stock Option Plan and RSU Plan. Pursuant to the terms of the Omnibus Plan, participants are eligible to Awards, which include Options, Stock Appreciation Rights, restricted share awards, RSUs, performance shares, performance units, cash-based awards and other share-based awards.

- The following summary of certain terms of the Omnibus Plan is qualified, in its entirety, by the full text of the Omnibus Plan, which is included in the 2022 Information Circular incorporated by reference herein, and available under High Tide's profile on SEDAR+ at www.sedarplus.ca:

    (a) The maximum number of Common Shares available and reserved for issuance, at any time, under the Omnibus Plan, together with any other security-based compensation arrangements adopted by the Corporation, including the Stock Option Plan and RSU Plan, shall not exceed 20% of the issued and outstanding Common Shares on April 19, 2022. Such 20% amount is 12,617,734 Common Shares;

    (b) The Board may provide the circumstances in which Awards shall be exercised, vested, paid or forfeited in the event a Participant ceases to provide service to the Corporation or any affiliate prior to the end of a performance period or exercise or settlement of such Award;

    (c) The Omnibus Plan replaced the Stock Option Plan. All outstanding Options issued under the Stock Option Plan will continue to be governed by the Stock Option Plan, while Options granted under the Omnibus Plan will be governed by the Omnibus Plan. The exercise price for each Option shall be established in the discretion of the Board; provided, however, that the exercise price per share shall be not less than the Fair Market Value of a Common Share on the effective date of grant of the Option;

    (d) The Board may grant Stock Appreciation Rights either in tandem with a related Option or independently of any option;

    (e) Stock Appreciation Rights are generally non-transferable by the Participant other than by will or by the laws of descent and distribution and are generally exercisable during the Participant's lifetime only by the participant. Other terms of Stock Appreciation Rights are generally similar to the terms of comparable Options;

    (f) The Omnibus Plan provides the Board with additional equity-based compensation alternatives in the form of Restricted Share Awards. The Board may grant restricted share awards under the Omnibus Plan either in the form of a restricted share purchase right, giving a participant an immediate right to purchase Common Shares, or in the form of a restricted share bonus, in which Common Shares are issued in consideration for services to the Corporation rendered by the Participant;

    (g) The Omnibus Plan replaces the RSU Plan. No further RSUs will be granted under the RSU Plan and all RSUs issued under the RSU Plan will continue to be governed by the RSU Plan, while RSUs granted under the Omnibus Plan will be governed by the Omnibus Plan;

    (h) The Board may grant Performance Awards subject to such conditions and the attainment of such performance goals over such periods as the Board determines in writing and sets forth in a written agreement between the Corporation and Participant; and

    (i) The Board may grant Cash-Based Awards or other share-based Awards in such amounts and subject to such terms and conditions as the Board determines.

- April 21, 2022: the Corporation acquired a 100% interest in Boreal. The acquisition was completed pursuant to the terms of the share purchase agreement dated March 31, 2022 (the "**Boreal Acquisition Agreement**"). The Corporation acquired two retail cannabis stores in the Northern Alberta, located at 1104 Main Street SW in Slave Lake and 4225 50 Avenue in St. Paul. Pursuant to the terms of the Boreal Acquisition Agreement, the Corporation acquired a 100% interest in Boreal in consideration for (i) 443,301 Common Shares, valued at $2,400,000, on the basis of a deemed price of $5.4312 per Common Share, being equal to the 10-day VWAP, and (ii) approximately $200,000 in cash, on account of cash on hand in Boreal. In connection with a post-closing working capital adjustment provision, a $35,000 adjustment to the purchase price was made and paid out by the Corporation.

- April 26, 2022: the Corporation acquired three operating cannabis stores in Ontario, located in Stratford, Hanover and Markdale, from Crossroads (the "**Crossroads Closing**"). The acquisition was completed pursuant to the terms of an asset purchase agreement dated March 2, 2022 (the "**Crossroads Acquisition Agreement**"). Pursuant to the terms of the

Crossroads Acquisition Agreement, the Corporation acquired the stores for Common Shares, valued in the aggregate at $1,900,000, on the basis of a deemed price of $5.0313 per Common Share, being equal to the 10-day VWAP.

- May 9, 2022: the Corporation appointed Greg Fleury as Chief Technology Officer of the Corporation. Mr. Fleury departed the Corporation on August 25, 2022.

- June 1, 2022: the Corporation acquired a 100% equity interest in Bud Heaven for $2,800,000, which operated two retail cannabis stores in Ontario (the "**Bud Heaven Closing**"). The stores are located in Bracebridge, at 77 Manitoba Street and 125 Muskoka Road Highway 118 West. The acquisition was completed pursuant to the terms of the share purchase agreement dated March 29, 2022 (the "**Bud Heaven Acquisition Agreement**"). Pursuant to the Bud Heaven Acquisition Agreement, the Corporation acquired a 100% interest in Bud Heaven in consideration for (i) 564,092 Common Shares, and (ii) $1,000,000, in cash, due upon settlement of the post-closing working capital adjustment (the "**Bud Heaven Consideration**"). In connection with the Bud Heaven Acquisition Agreement, the Bud Heaven Consideration was subject to post-closing working capital adjustment provision. Under this provision, the parties did not adjust the purchase price as the there was no increase or decrease of the net working capital as of the closing date. As of the AIF Date, the parties have not settled on the working capital adjustment.

- June 22, 2022: the Corporation closed a short-term debt financing with an arm's length credit provider for $5,000,000 (the " **2022 June Debt Financing**"). The 2022 June Debt Financing was paid out in connection with the establishment of the September 2022 Credit Facility.

- July 15, 2022: the Corporation seized the shares of Halo Kushbar Retail Inc., which owned three operating cannabis retail stores in Alberta. As disclosed above, on September 1, 2020, High Tide entered into the Amended Halo APA, pursuant to which High Tide agreed to sell its three operating KushBar retail cannabis stores to Halo Kushbar Retail Inc., a wholly owned subsidiary of Halo, for the aggregate consideration of $5,700,000. Part of the consideration the Corporation received from Halo was a convertible promissory note in the principal amount of $1,800,000. Due to ongoing breaches of the Amended Halo APA, the Corporation accelerated the maturity of the note and seized the shares of Halo Kushbar Retail Inc. pursuant to a share pledge agreement between the parties. Effective July 15, 2022, the Corporation, who received $3,900,000 as payment under the Amended Halo APA, reacquired control of the KushBar retail cannabis stores.

- July 22, 2022: the Corporation completed a bought deal offering of units (each, a " **July 2022 Unit**") pursuant to the Short Form Prospectus (the "**July 2022 Bought Deal Offering**"). In connection with the July 2022 Bought Deal Offering, the Corporation issued an aggregate of 4,956,960 July 2022 Units (including the exercise in full of the underwriters' over-allotment option) at a price of $2.32 per July 2022 Unit, for aggregate proceeds of $11,500,147.20. Each July 2022 Unit was comprised of one Common Share and one Warrant (each, a "**July 2022 Warrant**"). Each July 2022 Warrant entitles the holder thereof to purchase one additional Common Share at an exercise price of $2.73 per July 2022 Warrant, for a period of 60 months from closing of the July 2022 Bought Deal Offering.

- August 4, 2022: the Corporation completed the first tranche in its acquisition, through the CCAA proceedings, of eight operating retail cannabis stores in British Columbia and Alberta from Choom for $4,200,000 (the "**Choom First Tranche Stores**"). The acquisition was completed pursuant to the terms of a binding agreement dated June 28, 2022 (the "**Choom Acquisition Agreement**"). Pursuant to the terms of the Choom Acquisition Agreement, the Corporation acquired the Choom First Tranche Stores, including inventory, for $4,200,000, by issuing 1,782,838 Common Shares at a deemed price of $2.3375 per Common Share (the "**Choom First Tranche Consideration**").

    - The Choom First Tranche Stores are located at the following addresses:

        - 191 West 2nd Avenue in Vancouver, British Columbia.
        - 1391 Richards Street in Vancouver, British Columbia.
        - 115 2nd Avenue West in Brooks, Alberta.
        - 5308 50th Avenue in Cold Lake, Alberta.
        - 1020 8th Avenue in Cold Lake, Alberta.

- 320 Centra Street in Drumheller, Alberta.
- 2719 14th Street SW in Calgary, Alberta.
- 10140 107th Street in Westlock, Alberta.

- September 1, 2022: pursuant to the terms of the Choom Acquisition Agreement, the Corporation completed the second tranche in its acquisition, through the CCAA proceedings, of one retail cannabis store located at 7555 Montrose Road in Niagara Falls, Ontario. The Corporation acquired the store, including inventory, for $1,100,000, by issuing 364,185 Common Shares at a deemed price of $2.3375 per Common Share and $300,000 in cash (the "**Choom Second Tranche Consideration**").

- September 19, 2022: the Corporation closed a $19,000,000 senior secured credit facility with connectFirst with an initial 5-year term, at connectFirst's floor interest rate (the "**September 2022 Credit Facility**"). Echelon Capital Markets acted as the exclusive financial advisor to the Corporation and was entitled to a cash commission equal to: (i) 1% of the aggregate amount of the September 2022 Credit Facility, and (ii) 1% of the amount drawdown on the September 2022 Credit Facility. The September 2022 Credit Facility is comprised of the following:
    - $19,000,000 term debt with blended principal and interest payments, accessible on request by the Corporation; and
    - A quarterly tested financial covenant of debt service coverage ratio of not less than 1.40:1, a monthly current ratio covenant of not less than 1.25:1, and a quarterly tested covenant EBITDA beginning with the quarter ending January 31, 2023.

Developments during the Financial Year ended October 31, 2023

- December 13, 2022: the Corporation began selling cannabis seeds in the United States through the Grasscity Entities and Smoke Cartel.

- December 29, 2022: the Corporation acquired a 100% interest in Jimmy's Cannabis (the " **Jimmy's Cannabis Acquisition**") pursuant to a share purchase agreement dated September 28, 2022 (the "**Jimmy's Cannabis Definitive Agreement**"). The Corporation acquired two retail cannabis stores in British Columbia, located at 1225 Cranbrook Street North, Cranbrook and 1543 Victoria Street, Prince George. Pursuant to the terms of the Jimmy's Cannabis Definitive Agreement, the Corporation acquired a 100% interest in Jimmy's Cannabis in consideration for 2,595,533 Common Shares, valued at $5,300,000, on the basis of a deemed price of $2.0365 per Common Share (the "**Jimmy's Cannabis Consideration**"). The working capital adjustment was $352,000 and was paid effective April 28, 2023.

- January 11, 2023: Omar Khan was promoted to the position of Chief Communications and Public Affairs Officer after serving as Senior Vice President of Corporate and Public Affairs since joining High Tide in January 2021.

- February 28, 2023: Following the departure of Rahim Kanji from Chief Financial Officer, Sergio Patino was appointed interim Chief Financial Officer for High Tide. Mr. Patino's appointment was made permanent on August 1, 2023. He subsequently parted ways with the Corporation on May 1, 2024.

- May 15, 2023: The Company closed on the remaining 20% interest of FabCBD not held by High Tide at an enterprise value equal to the trailing twelve months of EBITDA multiplied by six, which was satisfied by the Company by issuing 386,035 Common Shares valued at US$560,380 on the basis of a deemed price per share of CAD$1.9372.

- August 31, 2023: High Tide established the 2023 ATM Program which allows the Corporation to issue up to $30,000,000 (or the equivalent in U.S. dollars) of Common Shares from treasury to the public from time to time, at the Corporation's discretion and subject to regulatory requirements. Any Common Shares sold through the 2023 ATM Program are sold at prevailing market prices when issued (i) in ordinary brokers' transactions on the Nasdaq or another U.S. marketplace on which the Common Shares are listed, quoted or otherwise traded or (ii) in ordinary brokers' transactions on the TSXV, or another Canadian marketplace on which the Common Shares are listed, quoted or otherwise traded. Since the Common Shares will be distributed at the prevailing market prices at the time of their sale or as otherwise permitted by law, prices may vary among purchasers and during the period of distribution. The Corporation will determine, at its sole discretion, the date, minimum price and maximum number of Common Shares to be sold under the 2023 ATM Program. The Common Shares

will be distributed at the market prices prevailing at the time of each sale, at prices relating to such prevailing market prices, or in any other manner permitted by applicable law. As such, the prices may vary between purchasers over time. The Corporation is not required to sell any Common Shares at any time during the term of the 2023 ATM Program.

- October 31, 2023: High Tide completed a restructuring of approximately $8.9 million of the Corporation's outstanding debt held by a key industry lender under a senior secured convertible debenture issued on July 23, 2020, as amended, maturing on January 1, 2025 (the "**Debenture**") pursuant to a debt restructuring agreement dated July 23, 2020, as amended, entered into between the parties (the " **Debt Restructuring Agreement**"). Pursuant to the Debt Restructuring Agreement, the parties agreed to settle the outstanding structured installment payments of $5,024,546 (the "**Outstanding Structured Payment**") in Common Shares at a deemed price of $2.0168 per Common Share (the "**Installment Shares**"), to the key lender. Upon the Outstanding Structured Payment being satisfied, the outstanding amount of the Debenture was reduced proportionately. Future structured payments were changed from a quarterly obligation to semi-annually, and each such payment may be paid in cash or satisfied in free-trading Common Shares priced at the 10-day VWAP ending on the day prior to public announcement of such issuance, provided that High tide provides the key lender thirty (30) days prior written notice of its intention to pay in Common Shares, and the key lender, in its sole discretion, does not provide notice to High Tide at least 10 days before the applicable payment it due, that a portion or all of such payment is to be paid in cash. The Installment Shares and any Common Shares issued in settlement of any future structured payments shall be subject to certain resale, volume, and trading restrictions as agreed by the parties. High Tide's obligations under the Debenture are secured by the assets of High Tide and certain of its subsidiaries pursuant to a subordinated security interest (ranking behind senior creditors) granted in favour of the key lender and such other persons who may from time to time become a party to the security agreement.

Developments during the Financial Year ended October 31, 2024

- November 27, 2023: High Tide acquired certain assets of Canadian Cannabis Media Corp. related to its store located at 1208 Davie Street in Vancouver, British Columbia for a total purchase price of $1.33 Million, paid via 658,754 Common Shares valued at $1.16 million and $167,003.26 cash.

- December 29, 2023: The Corporation paid down $2.8 million from its debt balance held by a key industry leader under a senior secured convertible debenture, issued on July 23, 2020, maturing on January 1, 2025, using cash on hand.

- February 13, 2024: Valiant Canada signed an agreement with the Manitoba Liquor and Lotteries Corporation (MBLL) through which it will be a distributor of cannabis products to cannabis retailers in Manitoba.

- March 28, 2024: High Tide closed its acquisition of the brand Queen of Bud, including all IP, trademarks, and other assets, pursuant to the terms of an asset purchase agreement dated March 15, 2024. The consideration for the Transaction consisted of 378,486 Common Shares valued at $900,000 on the basis of a deemed price of C$2.3779 per High Tide Share, representing the 10-day volume weighted average price on the TSXV ending on March 22, 2024, and $100,000 in cash.

- April 5, 2024: High Tide closed on the Nuleaf Put Option at an enterprise value equal to the trailing twelve months of EBITDA multiplied by 7.1. Notice of the intention to exercise the Nuleaf Put Option was delivered by NuLeaf's members on June 2, 2023, and the transaction was completed on April 5, 2024. High Tide had previously assigned its ownership interest in NuLeaf to its subsidiary, High Tide USA, Inc., so the remaining 20% interest was also acquired by High Tide USA, Inc. The aggregate purchase price for the remaining 20% interest in NuLeaf was $1,575,000 USD, to be paid by High Tide in cash in fifteen (15) equal monthly installments of $105,000 USD, beginning on April 7, 2024.

- May 1, 2024: Following the departure of Sergio Patino, Mayank Mahajan was appointed as Chief Financial Officer of the Corporation.

- June 13, 2024: Binding subscription agreements were entered by the Corporation with arm's length institutional credit providers for aggregate gross proceeds of $15 million in a subordinated debt facility of $1,000 principal subordinate secured debentures (the "**Debentures**") at a price of $900 per debenture (the " **Debenture Facility**"). Pursuant to the terms of the subscription agreements, the funds were drawn in two tranches: (i) $10 million on July 31, 2024 and (ii) $5 million on November 13, 2024. The final tranche, until it was drawn, was subject to a 1% per annum standby fee. In connection with the closing of the initial tranche, the Corporation issued an aggregate of 230,760 Common Shares at a price of $3.47 per Common Share to the lenders. The Debentures will mature on July 31, 2029, and bear interest at a fixed rate of 12% per annum on drawn amounts, payable quarterly. The Debentures are governed by the terms and conditions of a debenture trust indenture between the Corporation and Olympia Trust Company in its capacity as trustee and collateral agent (the "**Debenture Facility Trust Indenture**"). The Corporation may redeem the Debentures at any time prior to maturity, in

whole or in part, upon sixty days' notice and payment of certain penalties as applicable. The Corporation's obligations under the Debentures are collaterally secured by general security and guarantee agreements from the Corporation and certain subsidiaries of the Corporation and rank in second position to the Corporation's existing senior lender.

- August 8, 2024: High Tide acquired a retail cannabis store in Mississauga, Ontario for $600,000 paid in cash. The purchase price represents 1.5x annualized Adjusted EBITDA for the three months ended May 31, 2024. An amount equal to approximately $150,000 will be held in escrow for a period of twelve (12) months by High Tide's lawyers to satisfy the seller's indemnity with respect to possible claims based on breaches of representation and warranties.

- September 10, 2024: High Tide announced a joint venture with Positive Intent Events (PIE) for cannabis sales at adults-only events, such as music festivals, comedy shows, and business conferences, following Alberta's decision to allow licensed cannabis pop-up stores at adults-only festivals and events.

Developments subsequent to the Financial Year ended October 31, 2024

- December 2, 2024: The Corporation expanded its Cabana Club membership program across the United States, European Union, and United Kingdom, and added international snacks and confectionary to its e-commerce offerings.

- January 13, 2024: High Tide signed a definitive agreement pursuant to which it will acquire 51% of Purecan GmbH (the " **Purecan Acquisition Agreement**"), for approximately €4.8 Million, which implies an enterprise valuation of €9.5 Million, representing 3.0 times Annualized Adjusted EBITDA generated during the six months ended December 31, 2024. The purchase price will be broken out as follows:

    - €2.4 Million in Common Shares priced at the volume weighted average price per share on the TSXV for the 10 trading days ending January 7, 2025 of C$4.53 multiplied by the Bank of Canada's CAD to EUR rate as at January 7, 2025, of 1.4871, for a total of 792,126 shares.

    - €1.2 Million in cash; and

    - €1.2 Million in a promissory note, which will mature two years after the Closing date, bear 7% annual interest (paid quarterly), and be prepayable at any time by the Company with no penalty.

- Pursuant to the Purecan Acquisition Agreement, Purecan's owners agreed to grant High Tide an option to acquire the remaining interests in Purecan not held by High Tide, (the "**Purecan Call Option**"), at an enterprise value equal to the trailing twelve months of Adjusted EBITDA multiplied by 3.0. The Purecan Call Option will be exercisable at any time for a period of five (5) years, following the eighteen (18) month anniversary of the closing. In addition, High Tide agreed to grant Purecan's owners an option to put to High Tide the remaining interests in Purecan not held by High Tide (the "**Purecan Put Option**"), at the same enterprise value as the Purecan Call Option during the same time period. The consideration under the Purecan Call Option or the Purecan Put Option, if exercised, will be satisfied in a combination of cash and High Tide shares, at High Tide's discretion.

DESCRIPTION OF THE BUSINESS

General

The Corporation is an Alberta-based, retail-focused cannabis company enhanced by the manufacturing and distribution of consumption accessories. As at the AIF Date, the Corporation is one of the largest cannabis retailers in Canada, with 191 operating retail cannabis locations (including jointly-owned store locations) across Canada. As a vertically-integrated company, the Corporation is engaged in the Canadian cannabis market through a portfolio of Subsidiaries.

The Corporation was incorporated under the ABCA on February 8, 2018, under the name "High Tide Ventures Inc.". Effective October 4, 2018, the Corporation amended its articles of incorporation and changed its name to "High Tide Inc." Since its inception, the Corporation has grown, both organically and via strategic acquisitions (including its acquisitions of Meta Growth, Smoke Cartel, FABCBD, Daily High Club, Dankstop, Blessed, and NuLeaf) to emerge as a leader in the evolving cannabis market within Canada. As one of Canada's largest and fastest-growing retail-focused cannabis companies, the Corporation continues to pursue rapid growth to expand its presence across various jurisdictions in Canada, with its principal business focused on brick and mortar distribution and sale of cannabis and cannabis products in the provinces of Alberta, Ontario, Saskatchewan, Manitoba, and British Columbia.

During the financial year of High Tide ended October 31, 2024, (i) approximately 93% (2023 – 89%) of the total revenues of High Tide were derived from sales within the brick and mortar segment of the Business to customers outside of High Tide and its Subsidiaries, and (ii) approximately 7% (2023 – 11%) of the total revenues of High Tide were derived from sales within the e-commerce segment of the Business to customers outside of High Tide and its Subsidiaries.

The followings sections are intended to provide a summary of the business and operations of High Tide's material Subsidiaries, as at the AIF Date.

Canna Cabana

Canna Cabana is the successor entity to all previously wholly owned ABCA Subsidiaries, wherein all wholly owned Subsidiaries were amalgamated into Canna Cabana pursuant to the ABCA. Canna Cabana is High Tide's primary retail cannabis business, offering for retail sale various cannabis products and accessories through its provincially authorized cannabis retail store locations. As at the AIF Date, Canna Cabana operates a retail cannabis chain with 189 branded stores operating across Canada, in the provinces of Alberta, British Columbia, Manitoba, Ontario, and Saskatchewan.

Canna Cabana's flagship retail concept is designed to expose customers to a unique, consistent and scalable retail design and customer experience, and to emphasize the holistic and natural qualities of cannabis. Through its in-store displays, its highly trained and knowledgeable staff, and a tailored store atmosphere, Canna Cabana aims at creating a sophisticated yet playful customer experience, while educating customers and providing them with insight and guidance with respect to its product offerings.

Meta Growth

Meta Growth is High Tide's secondary retail cannabis business offering for retail sale various cannabis products and accessories through its provincially authorized cannabis retail store locations.

Grasscity Entities

Based in Amsterdam, Netherlands, the Grasscity Entities operate Grasscity.com, one of the world's premier online stores for smoking accessories and cannabis lifestyle products. Established in 2000, Grasscity.com is one of the most searched and visited smoking accessories retailers. Grasscity.com offers an extensive selection of hand-picked smoking accessories and cannabis lifestyle products, from grinders and rolling papers to one-of-a-kind glass bongs, smoking pipes, oil rigs and bubblers and Hemp CBD products, such as CBD flower and CBD gummies. The Grasscity.com e-commerce platform generates the majority of its revenues from customers located in the United States.

Valiant Canada and Valiant

Valiant Canada is the successor entity to RGR Canada Inc. and Famous Brandz Inc., both of which were wholly owned Subsidiaries and were amalgamated in November 2020 pursuant to the ABCA to form Valiant Canada. Valiant was incorporated under the Laws of the State of Delaware on April 6, 2019.

Valiant Canada and Valiant are an established designers and international leaders in the manufacture and distribution of high-quality, innovative cannabis accessories. Valiant Canada and Valiant offer a suite of proprietary brands which have over time become well known amongst consumers. Valiant Canada's proprietary brands include names such as "Dopezilla", "Atomik", "Evolution", "Puff Puff Pass", "Vodka Glass" and "Cabana Cannabis Co.".

Valiant Canada's and Valiant's design and development team continues to design products tailored to evolving market trends and consumer preferences that reflect technological innovation and comply with applicable Laws. Through its relationships with its manufacturers, based in Asia, Canada, the United States, and elsewhere, which specialize in various areas of assembly and manufacturing, Valiant Canada continues to deliver to market a suite of high quality, proprietary products (such as high-quality rolling papers) as well as third-party branded products (such as Raw, Zig Zag, and Pax).

Valiant Canada and Valiant are also established leaders in the manufacture and distribution of branded smoking accessories and other alternative lifestyle products. Valiant Canada and Valiant distribute its products to wholesalers and retailers across the globe through business-to-business distribution channels and through a business-to-customer retail e-commerce platform. Valiant Canada and Valiant have established relationships with a wide network of distributors, wholesalers and retailers with a presence across Canada, the United States and Europe, with the majority of its products being offered for sale in the United States.

Smoke Cartel

Smoke Cartel is one of the leading online retailers of glass water pipes, vaporizers, consumption accessories, and Hemp-derived products, including CBD products. Smoke Cartel provides a marketplace with a wide variety of high-quality products, subscription boxes, reliable customer service, and rapid dependable shipping. Smoke Cartel leverages its proprietary marketplace technology to seamlessly connect brands & vendors with its growing customer base built over the last nine years. Smoke Cartel's website at www.smokecartel.com offers fast load times and optimizations, making the customer experience quick, seamless, and engaging. Smoke Cartel conducts its operations within States of the U.S. in which the sale of Hemp-based CBD products does not violate state-controlled substance Laws.

FABCBD

FABCBD is one of the leading online retailers of Hemp-derived CBD products. FABCBD provides a wide variety of high-quality products and formulas, affordable pricing, rapid dependable shipping, and surprisingly personable customer service. FABCBD's website at www.fabcbd.com.

Founded in 2017 with its headquarters in Denver, Colorado, FABCBD has quickly grown to become one of the most popular brands for Hemp-derived CBD products across the U.S., including CBD oils, topicals, gummies, as well as pet products. FABCBD only conducts its operations within States of the U.S. in which the sale of Hemp-based products does not violate State-controlled substance Laws.

Daily High Club

With over one million consumption accessories sold, Daily High Club is one of the leading online retailers of glass water pipes, vaporizers, and other in demand consumption accessories. Daily High Club provides a marketplace with a wide variety of high-quality products and subscription boxes. Daily High Club has an active social media presence with numerous influencer and celebrity endorsements. The company's website at www.dailyhighclub.com offers an engaging and fun shopping experience.

Dankstop

Dankstop is a leading online consumption accessories retailer. With an industry leading and innovative website at www.Dankstop.com, and dedicated support team, Dankstop has raised the bar for the online consumption supply industry since 2014. Leveraging its in-house technology, Dankstop now offers a variety of business-to-business services for the cannabis industry in addition to its retail websites ranging from drop shipping to third party logistics.

Blessed

Blessed is one of the leading online retailers of Hemp-derived CBD products in the U.K. The company provides a marketplace with a wide variety of high-quality products and formulas, affordable pricing, rapid dependable shipping, and surprisingly personable

customer service. Blessed has been featured as the best U.K. CBD Oil in several publications including The Mirror, Reader's Digest, and Maxim Magazine.

NuLeaf

NuLeaf is one of America's leading cannabinoid companies. Since 2014, NuLeaf has been committed to creating the world's highest quality cannabinoid products in their most pure and potent form. NuLeaf's manufacturing facility is cGMP certified, enabling them to create innovative cannabinoid formulations while exceeding the highest levels of regulatory requirement. The company is committed to creating safe, consistent, and effective products and has proudly received over 35,000 verified five-star customer reviews through their e-commerce platform. NuLeaf only conducts its operations within States of the U.S. in which the sale of Hemp-based products does not violate State-controlled substance Laws.

Retail Cannabis Stores

As at the AIF Date, High Tide operates a total of 191 cannabis retail stores, consisting of (i) 84 cannabis retail stores in the Province of Alberta, (ii) 76 cannabis retail stores in the Province of Ontario, (iii) 12 cannabis retail stores in the Province of Saskatchewan, (iv) 11 cannabis retail stores in the Province of Manitoba, (v) and 8 cannabis retail stores in the Province of British Columbia.

The following chart sets out the retail cannabis stores operated by the Corporation as at the AIF Date:

Municipality and Province	Number of Stores	Store Brand
Airdrie, Alberta	2	Canna Cabana
Ajax, Ontario	2	Canna Cabana
Ancaster, Ontario	1	Canna Cabana
Banff, Alberta	1	Canna Cabana
Barrie, Ontario	1	Canna Cabana
Beaumont, Alberta	1	Canna Cabana
Belleville, Ontario	1	Canna Cabana
Blackfalds, Alberta	1	Canna Cabana
Bonnyville, Alberta	1	Canna Cabana
Bracebridge, Ontario	2	Canna Cabana
Brampton, Ontario	2	Canna Cabana
Brandon, Manitoba	1	Canna Cabana
Brooks, Alberta	1	Canna Cabana
Burlington, Ontario	2	Canna Cabana
Calgary, Alberta	33	Canna Cabana
Camrose, Alberta	1	Canna Cabana
Canmore, Alberta	1	Canna Cabana
Cochrane, Ontario	1	Canna Cabana
Cold Lake, Alberta	2	Canna Cabana
Cornwall, Ontario	1	Canna Cabana
Cranbrook, British Columbia	1	Canna Cabana
Drumheller, Alberta	1	Canna Cabana
East York, Ontario	1	Canna Cabana
Edenwold, Saskatchewan	1	Canna Cabana
Edmonton, Alberta	9	Canna Cabana
Edson, Alberta	1	Canna Cabana
Fort Erie, Ontario	1	Canna Cabana
Fort McMurray, Alberta	1	Canna Cabana
Fort Saskatchewan, Alberta	1	Canna Cabana

Fort St. John, British Columbia	1	Canna Cabana
Grande Prairie, Alberta	3	Canna Cabana
Guelph, Ontario	2	Canna Cabana
Hamilton, Ontario	3	Canna Cabana
Hanover, Ontario	1	Canna Cabana
Hinton, Alberta	1	Canna Cabana
Huntsville, Ontario	1	Canna Cabana
Innisfil, Ontario	1	Canna Cabana
Kamloops, British Columbia	1	Canna Cabana
Kanata, Ontario	2	Canna Cabana
Kingston, Ontario	1	Canna Cabana
Kitchener, Ontario	3	Canna Cabana
Lacombe, Alberta	1	Canna Cabana
Leduc, Alberta	1	Canna Cabana
Lethbridge, Alberta	3	Canna Cabana
Lloydminster, Alberta	1	Canna Cabana
London, Ontario	2	Canna Cabana
Lucan, Ontario	1	Canna Cabana
Markdale, Ontario	1	Canna Cabana
Martensville, Saskatchewan	1	Canna Cabana
Medicine Hat, Alberta	2	Canna Cabana
Milton, Ontario	1	Canna Cabana
Mississauga, Ontario	7	Canna Cabana
Moose Jaw, Saskatchewan	1	Canna Cabana
Morden, Manitoba	1	Canna Cabana
Morinville, Alberta	1	Canna Cabana
Niagara Falls, Ontario	2	Canna Cabana
North York, Ontario	1	Canna Cabana
Okotoks, Alberta	1	Canna Cabana
Olds, Alberta	1	Canna Cabana
Opaskwayak Cree Nation, Manitoba	1	Meta Growth
Oshawa, Ontario	1	Canna Cabana
Ottawa, Ontario	5	Canna Cabana
Owen Sound, Ontario	1	Canna Cabana
Pembroke, Ontario	1	Canna Cabana
Pickering, Ontario	1	Canna Cabana
Prince George, British Columbia	1	Canna Cabana
Red Deer, Alberta	2	Canna Cabana
Regina, Saskatchewan	5	Canna Cabana
Richmond, Ontario	1	Canna Cabana
Saskatoon, Saskatchewan	2	Canna Cabana
Scarborough, Ontario	1	Canna Cabana
Selkirk, Manitoba	1	Canna Cabana
Sherwood Park, Alberta	1	Canna Cabana
Slave Lake, Alberta	1	Canna Cabana
St. Paul, Alberta	1	Canna Cabana

St. Albert, Alberta	2	Canna Cabana
St. Thomas, Ontario	1	Canna Cabana
Stittsville, Ontario	1	Canna Cabana
Stoney Creek, Ontario	1	Canna Cabana
Stratford, Ontario	1	Canna Cabana
Sudbury, Ontario	1	Canna Cabana
Swift Current, Saskatchewan	1	Canna Cabana
Thomson, Manitoba	1	Meta Growth
Thunder Bay, Ontario	1	Canna Cabana
Tisdale, Saskatchewan	1	Canna Cabana
Toronto, Ontario	10	Canna Cabana
Tsuutina, Alberta	1	Canna Cabana
Vancouver, British Columbia	4	Canna Cabana
Vegreville, Alberta	1	Canna Cabana
Waterloo, Ontario	2	Canna Cabana
Westlock, Alberta	1	Canna Cabana
Whitecourt, Alberta	1	Canna Cabana
Windsor, Ontario	2	Canna Cabana
Winnipeg, Manitoba	6	Canna Cabana
Woodstock, Ontario	1	Canna Cabana
York, Ontario	1	Canna Cabana

Production and Sales

Valiant Canada, High Tide's wholesale Subsidiary, manufactures consumption accessories that are sold through the Corporation's bricks and mortar retail cannabis stores and online through www.Grasscity.com. See "*Intercorporate Relationships – Valiant Canada and Valiant*" above.

Specialized Skill and Knowledge

All aspects of the Business require specialized skills and knowledge, including in, among other things, the retail sale of cannabis and cannabis products within various jurisdictions in Canada, in accordance with applicable Laws. The Management team is comprised of individuals (including consultants and advisors), who bring together strong complementary skills, expertise and experience in various aspects of the cannabis, retail, wholesale and manufacturing industries, as well as strong capital markets experience. The experienced Management team, along with its other employees, subcontractors and consultants, have the required expertise and specialized knowledge and are well-positioned to implement the Corporation's retail-focused cannabis business strategy.

Competitive Conditions

The Corporation faces, and will continue to face, intense competition from existing and new retailers, wholesalers, and producers of adult-use cannabis, and other applicable participants in the cannabis industry whose services overlap with the business which the Corporation may from time to time be engaged in. Some of the competitors of the Corporation may have greater financial resources, market access and manufacturing and marketing experience than the Corporation.

Increased competition by numerous independent cannabis retail outlets and larger and better financed competitors (including new entrants), could have a Material Adverse Effect.

The Corporation believes that its competition can be broadly grouped into the following five categories:

(a) *Vertically Integrated Competitors:* This class of competitors (which may include Licensed Producers that are able to produce cannabis and cannabis products sold at retail stores of their affiliates) includes well-financed competitors with an established operating history in Canada, and significant scale. These competitors are able to compete directly with the Corporation in the cannabis markets in the provinces of Alberta, Ontario, Saskatchewan, Manitoba, and British Columbia, as the case may be.

(b) *Existing Retailers:* This class of competitors includes early-stage and semi-developed retail cannabis businesses, as well as established retail cannabis businesses, which may be well capitalized, and which may also have an established and longer retail operating history in Canada. These competitors are able to compete directly with the Corporation in the cannabis markets in the provinces of Alberta, Ontario, Saskatchewan, Manitoba, and British Columbia, as the case may be.

(c) *Government Competition:* This class of competitors includes government wholesalers that sell directly to consumers, such as the OCS in the Province of Ontario, the AGLC in the Province of Alberta and British Columbia Liquor Distribution Branch in the Province of British Columbia. These competitors are able to compete directly with the Corporation in the cannabis markets in the provinces of Alberta, British Columbia, and Ontario, as the case may be.

(d) *Illicit Market*: This class of competitors includes Persons and businesses operating in the illicit market within various jurisdictions across Canada. These competitors, who Management believes continue to divert a sizeable number of commercial opportunities from the Corporation, are able to compete directly with the Corporation in the cannabis markets in the provinces of Alberta, Ontario, Saskatchewan, Manitoba, and British Columbia, as the case may be.

(e) *Existing Wholesalers:* This class of competitors includes early-stage and semi-developed wholesalers, as well as established wholesalers, which may be well capitalized, and which may also have an established and longer retail operating history in Canada. These competitors are able to compete directly with the Corporation in the cannabis markets in the provinces of Alberta, Ontario, British Columbia, and Saskatchewan within Canada, as well as in the United States. As of the AIF Date, most of the Corporation's wholesale competitors operate primarily as product distributors, whereas Valiant Canada designs, directly sources, imports and distributes its product offerings. As a result, Management believes that this provides High Tide with a competitive advantage through vertical integration, enabling Valiant Canada to bring to market unique product designs and offer wholesale customers favourable and flexible pricing.

To remain competitive, High Tide will require a continued high level of investment in research and development, marketing, sales and client support. High Tide may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis which could have a Material Adverse Effect. However, High Tide believes that the experience of Management in the retail cannabis spaces has and will continue to provide High Tide with a competitive advantage in navigating the complexities of a highly regulated, evolving marketplace and that its competitive position is at least equivalent to that of other cannabis retailers in Canada of a similar size and at a similar stage of development.

Cycles

The Business is not cyclical or seasonal. However, the Business may, from time to time, be affected by supply constraints and disruptions and seasonal variations that impact the supply of cannabis and cannabis products. The impact of such supply constraints and disruptions and seasonal variations on the Business and its operating results cannot be predicted at this time.

Intangible Properties

High Tide's consumer-focused brands, Canna Cabana, Meta Growth, Fastendr™, Grasscity Entities, Smoke Cartel, FABCBD, Daily High Club, Dankstop, Blessed, and NuLeaf have been an important part of the operation of the Corporation, and trademarks and other intellectual property rights continue to be essential to maintain the success and competitive position of the Corporation.

The Corporation's portfolio of registered trademarks and designs continue to be valuable assets that distinguish the Corporation's brand and reinforce customers' positive perception of its products and stores. As such, the Corporation has devoted, and expects to continue to devote, significant resources to the protection of its intellectual property rights, through, among other things, trade secrets, technical know-how and proprietary information. The Corporation will continue to seek protection of its intellectual property by

seeking and obtaining registered protection (including patents) where possible, developing and implementing standard operating procedures and entering into agreements with parties that have access to the Corporation's inventions, trade secrets, technical know-how and proprietary information such as business partners, collaborators, employees and consultants, to protect the confidentiality and ownership of intellectual property.

Foreign Operations

As at the AIF Date, High Tide conducts operations in the United States through Valiant Canada, NuLeaf, FABCBD, Smoke Cartel, Daily High Club, and Dankstop, within States in which they sell branded consumption accessories and other alternative lifestyle products that are permitted under applicable Laws. Approximately 6% (previous year – 9%) of High Tide's annual sales from continuing operations for the financial year of High Tide ended the Fiscal Year-End Date were attributable to the operations of Subsidiaries operating in the United States.

As at the AIF Date, High Tide also conducts operations in the Netherlands through the Grasscity Entities, in accordance with applicable Laws. Less than 2% (previous year – less than 2%) of High Tide's annual sales from continuing operations for the financial year of High Tide ended the Fiscal Year-End Date were attributable to the operations of the Grasscity Entities in the Netherlands.

As at the AIF Date, High Tide also conducts operations in the U.K. through Blessed, in accordance with applicable Laws. Less than 1% (previous year – less than 1%) of High Tide's annual sales from continuing operations for the financial year of High Tide ended the Fiscal Year-End Date attributable to the operations of Blessed in the U.K.

As at the AIF Date, High Tide also conducts operations in Germany, in accordance with applicable Laws. An immaterial amount of High Tide's annual sales from continuing operations for the financial year of High Tide ended the Fiscal Year-End Date were attributable to the operations in Germany.

Employees

As at the AIF Date, the Corporation has approximately 1,750 employees.

REGULATORY OVERVIEW

The following summary is intended to provide a general overview of the primary Canadian federal and provincial Laws and regulations in respect of the distribution and sale of adult-use cannabis, cannabis products and cannabis accessories. The provincial and territorial regulatory frameworks relating to cannabis are complex and rapidly evolving, with provincial and territorial governments in Canada having taken different approaches to regulating cannabis and cannabis-related activities. The below summary is not intended to be exhaustive, and does not address the Laws and regulations of any other jurisdiction. The Corporation continues to monitor regulatory developments and their impact on the Business, including the Corporation's proposed plans for further expansion and growth.

Federal Framework

On October 17, 2018, the Cannabis Act and the Cannabis Regulations came into force in Canada, replacing the Access to Cannabis for Medical Purposes Regulations and the Controlled Drugs and Substances Act as the governing Laws and regulations in respect of the production, processing, sale and distribution of cannabis for medical and adult recreational use.

The Cannabis Act provides a licensing and permitting framework for the cultivation, processing, importation, exportation, testing, packaging, labelling, sending, delivery, transportation, sale, possession and disposal of cannabis for adult recreational use, which is implemented by the Cannabis Regulations. Among other things, the Cannabis Act:

- Contains restrictions on the amounts of cannabis that individuals can possess and distribute, on public consumption and use.
- Prohibits the sale of cannabis unless authorized by the Cannabis Act.
- Permits individuals 18 years of age or older to cultivate, propagate, and harvest up to and including four (4) cannabis plants in their dwelling-house, propagated from a seed or plant material authorized by the Cannabis Act.

- Restricts (but does not strictly prohibit) the promotion and display of cannabis, cannabis accessories and services related to cannabinoids to consumers, including restrictions on branding and a prohibition on false or misleading promotion and on sponsorships.

- Permits the informational promotion of cannabis in specified circumstances to individuals 18 years of age and older (or any older age specified by applicable provincial legislation).

- Contains packaging and labelling requirements for cannabis and cannabis accessories.

- Prohibits the sale of cannabis or cannabis accessories in packaging or with labelling that could be appealing to young persons.

- Provides the designated Minister with the power to recall any cannabis or class of cannabis on reasonable grounds that such a recall is necessary to protect public health or public safety.

- Establishes the cannabis tracking and licensing system.

- Provides powers to designated inspectors for the purpose of administering and enforcing the Cannabis Act and a system for administrative monetary penalties.

The Cannabis Regulations, among other things:

- Provide for the issuance of cultivation licences for standard cultivation, micro-cultivation, and nursery cultivation, licences for standard processing and micro-processing, as well as sales licences for medical or non-medical use.

- Contain requirements for all cannabis products to be packaged in a tamper-evident and child-resistant manner.

- Require specified product information on cannabis product labels (such as the name of the party who packaged the products, the product lot number, and the THC and CBD content).

- Prohibit testimonials, lifestyle branding, and packaging that is appealing to youth.

The Cannabis Act provides provincial and municipal governments the authority to prescribe regulations regarding retail and distribution, as well as the ability to alter some of the existing baseline requirements, such as increasing the minimum age for the purchase and consumption of cannabis. As of the AIF Date, various provincial and municipal governments in Canada have enacted legislation to regulate the storefront and online sale of cannabis produced by Licensed Producers.

Provincial Framework

The following section provides a general overview of the applicable laws and regulations governing the retail sale and distribution of adult-use cannabis, cannabis products and cannabis accessories in the five key provinces within which the Corporation conducts the Business as at the AIF Date.

Alberta

The Province of Alberta has passed two bills pertaining to the authorization and regulation of cannabis activities: (i) Bill 26, which received Royal Assent on December 15, 2017; and (ii) and Bill 6, which received Royal Assent on June 11, 2018. Bill 26 and Bill 6 both amend the GLCA. Bill 26 and Bill 6 were substantially proclaimed into force effective July 14, 2018. The remaining provisions came into force effective October 17, 2018, concurrent with the Cannabis Act and Cannabis Regulations. AR 13/2018 was published on February 16, 2018 and also came into force effective July 14, 2018. AR 13/2018 amended the *Gaming, Liquor and Cannabis Regulation* (GLCR).

The AGLC (re-named the Alberta Gaming, Liquor and Cannabis Commission, but retaining the same acronym) is responsible for managing provincial oversight of the private retail adult-use cannabis industry. The AGLC is exclusively authorized to purchase adult-use cannabis products from Licensed Producers, which it then distributes to licensed private retailers for sale from licensed premises. The AGLC is also responsible for issuing licences to private retailers authorizing the sale of adult-use cannabis products in accordance with the GLCA, the GLCR and the AGLC's policies and conditions. The GLCA authorizes the AGLC to establish policies, including

in respect to the advertising and promoting of cannabis and cannabis retail licences. The AGLC Handbook sets out the AGLC's policies and guidelines related to cannabis retail licences.

The GLCA prohibits: (i) agreements between cannabis licensees and suppliers to sell or promote the sale of the supplier's cannabis, except as provided by the GLCR; (ii) individuals under the age of eighteen (18) from entering licensed premises (unless the license permits minors to enter) or from purchasing or attempting to purchase, obtain or possess cannabis; (iii) the sale of adult-use cannabis products to an intoxicated person; and (iv) the use of a term commonly associated with medicine, health or pharmaceuticals including "pharmacy", "dispensary", "apothecary", "drug store", "medicine", "medicinal", "health", "therapeutic", or "clinic" in any signage for a licensed premises or the name of a licensee. The GLCA also prohibits issuance of a cannabis retail licence unless the sale of cannabis will be conducted as a separate business from any other activities of the applicant and in a location where only cannabis products, cannabis accessories (as defined in the Cannabis Act) or other prescribed items are sold.

In late 2021, the Legislative Assembly of Alberta passed legislation to allow licensed cannabis retailers in Alberta to offer online sales and delivery of cannabis products effective March 8, 2022, provided the license authorizes the sale of cannabis online.

The GLCR sets out detailed rules regarding: (i) the ownership and operation of licensed cannabis retail stores; (ii) where such stores may be located; (iii) staffing, security and safety requirements for licensed stores; and (iv) the process for review and approval of applications for cannabis retail store licences. The GLCR prohibits a licensed cannabis retail store from being located within one hundred (100) metres of a provincial health care facility, a school, or land designated as a school reserve or municipal and school reserve; however, municipalities may expressly vary such restrictions on the location of cannabis retail stores in their land use by-laws.

The AGLC Handbook requires that only cannabis accessories that promote the responsible and legal storage and consumption of cannabis be sold at cannabis retail stores, and that the majority of sales of a retail cannabis store must be cannabis. Non-cannabis items that may not be sold at cannabis retail stores include consumable products other than cannabis, products intended to be mixed, applied or consumed with cannabis, organic solvents and products or promotional material related to the medical use of cannabis. The AGLC has published a list of cannabis accessories it considers to be approved for sale in licensed cannabis retail stores.

The GLCR initially prohibited the issuance of a licence if it would result in more than fifteen percent (15%) of the total number of issued retail cannabis licences in Alberta being held by one person or a group of persons having common control. However, that prohibition was lifted on October 17, 2020 and there is no longer a limitation on the number of cannabis licences that may be held by one person or a group of persons having common control.

Each municipality in Alberta is responsible for establishing its own land use and business licensing by-laws governing the issuance of development permits, building permits and business licences to prospective cannabis retail store licensees. Some municipalities have implemented a random selection process for determining the order and priority of review of initial cannabis retail store applications; others have adopted a first-come, first-served approach.

Most municipalities have adopted additional separation requirements beyond the GLCR requirements including separation requirements between competing cannabis retail stores, and between a cannabis retail store and other sensitive uses such as schools, hospitals, treatment centres, public parks and/or payday loan or pawn stores. Variances from the prescribed separation distances may, in some cases, be granted by the duly appointed development officer, or by the Subdivision and Development Appeal Board pursuant to the *Municipal Government Act*.

British Columbia

The Province of British Columbia has adopted two bills pertaining to the authorization and regulation of cannabis activities: (i) Bill 30, the CCLA; and (ii) Bill 31, the CDA, both of which received Royal Assent on May 31, 2018 and were proclaimed into force on July 12, 2018, with the exception of certain provisions to come into force in accordance with regulations or certain other instruments. The CCLA (including regulations made thereunder such as the CLR) and CDA, provide the legal framework for adult-use cannabis sales in British Columbia.

In addition, the LCRB has provided guidance to the industry, including through the B.C. Cannabis Retail Store License Handbook (BC Handbook), and the Marketing Terms and Conditions Handbook, all of which are regularly updated.

The CCLA and CLR regulate the possession, sale, promotion, supply and production of adult recreational use cannabis within British Columbia and provides the scheme for licensing and certain rules for the retailing of cannabis, including inducements. Three (3)

classes of licences are established pursuant to this legislative regime: the Cannabis Retail Store Licence, which authorizes the sale of adult-use cannabis through a private retail store; the Producer Retail Store Licence, which authorizes a Licensed Producer to sell adult-use cannabis at a location that is adjacent or proximate to the federally-licensed area; and the Marketing Licence, which authorizes the licence holder to promote cannabis for the purpose of selling it.

The CCLA prohibits: (i) consumption of cannabis on school properties and in vehicles; (ii) smoking and vaping cannabis anywhere that tobacco smoking and vaping are prohibited, in addition to playgrounds, sports fields, skate parks, and other places where children commonly gather; (iii) public intoxication; (iv) the sale of adult-use cannabis to an intoxicated person; (v) minors under the age of 19 from possessing, consuming, purchasing or attempting to purchase cannabis; and (vi) vertical arrangements with Licensed Producers, including exclusivity agreements and payments to promote, induce or further the sale of a particular class or brand of cannabis. The Lieutenant Governor in Council may also make regulations, including with respect to marketing, advertisement and promotion of cannabis or sponsorship involving advertising or promoting of cannabis or a licensee.

Under the CCLA and CDA, adult-use cannabis may be sold by both private and government-owned retailers pursuant to licences to be awarded by the LCRB. The British Columbia Liquor Distribution Branch is the exclusive wholesaler responsible for distribution of cannabis products in British Columbia.

With the exception of the Producer Retail Store Licence, the CCLA prohibits the LCRB from issuing a licence to a person closely associated with a Licensed Producer such that they are likely to promote the sale of such Licensed Producer's cannabis products. The BC Handbook indicates that a cannabis retailer may not be permitted to sell a Licensed Producer's products if either the retailer or Licensed Producer holds a twenty percent (20%) or greater voting interest in the other, or if any person holds a twenty percent (20%) or greater voting interest in both the retailer and Licensed Producer. Relationships reflecting a less than twenty percent (20%) voting interest must nonetheless be disclosed, and the LCRB must be satisfied that the retailer is not likely to promote the sale of cannabis of the Licensed Producer.

No maximum limit or target for the number of cannabis retail store licenses to be issued has been set in British Columbia; however, the *Cannabis Licensing Regulation* prohibits the LCRB from issuing a license to an applicant if it would result in the applicant or a group of related persons holding more than eight (8) retail store licenses.

No provincial requirements have been established for the location of cannabis retail stores. The LCRB defers to municipalities to set restrictions on the location of cannabis retail stores in their communities through land use by-laws.

The BC Handbook sets out detailed requirements for cannabis retail store licensees, including: (a) prohibitions on (i) associations with, use of the name of or joint advertising with another business, other than another licensed adult-use cannabis store – the BC Handbook specifically sets out restrictions on names that: (1) use the words "pharmacy", "apothecary" or "dispensary" (in a traditional or non-traditional spelling); (2) have graphics associated with a pharmacy (e.g. green cross); and (3) include language that encourages intoxication; (ii) customer loyalty programs; and (iii) in-store games or entertainment; and (b) restrictions on gift card programs. Though online sales of cannabis were initially not permitted, in August 2020 the provincial government amended the CCLA and its regulations to permit the sale of cannabis products online for pickup in store. Furthermore, beginning on July 15, 2021 the provincial government enacted further amendments to allow cannabis retailers to offer limited cannabis delivery services, providing appropriate identification and age verification procedures are complied with at the point of delivery.

The BC Handbook prohibits Licensed Producers or marketers from buying shelf space, offering weight discounts or other discounted product in exchange for marketing benefits. Cannabis retail stores must carry and make available to consumers a representative selection of brands of cannabis from a variety of suppliers that are not associated with or connected with each other. Cannabis retail stores are prohibited from selling snacks, tobacco or other items not related to cannabis.

Potential retailers are required to receive municipal government approval before the LCRB will issue a cannabis retail licence. Each municipality is responsible for implementing their own land use, development and business licensing by-laws, and the status of such efforts varies by municipality.

Ontario

On September 27, 2018, the government of Ontario tabled Bill 36, which received Royal Assent on October 17, 2018. Bill 36 enacted the CCA and CLA which created a licensing regime for privately-owned retail cannabis outlets administered by the AGCO. On November 14, 2018, the government of Ontario released the Ontario Cannabis Regulations.

The AGCO has also published the Registrar's Standards for Cannabis Retail Stores, pursuant to the rule-making authority and power to establish standards and requirements regarding advertising and promotional activities, training related to cannabis, security, and other matters granted to it under the CLA.

The legal age for possession and consumption of cannabis in Ontario is nineteen (19). Cannabis smoking or vaping is permitted anywhere that tobacco smoking or e-cigarette use is permitted in the province. Homegrown cannabis for personal use is permitted in accordance with the Cannabis Act.

Legislation authorizing private retail sales was not in place in Ontario upon the coming into force of the Cannabis Act on October 17, 2018. Consequently, adult-use cannabis was initially distributed in Ontario exclusively through online sales by government stores controlled by a provincial corporation known as the OCS, a subsidiary of the Liquor Control Board of Ontario, which had entered into supply agreements with a number of Licensed Producers. Following the implementation of private retail storefronts, the OCS maintained its monopoly as the exclusive distributor between Licensed Producers and retailers in the province. Licensed cannabis retail stores in Ontario are only permitted to sell cannabis products obtained from the OCS, cannabis accessories, and items that relate in some direct way to cannabis or its use (such as an item that depicts cannabis or its use or is cannabis-themed), but not any food or drink that is not cannabis.

There are two types of licences and one type of authorization under the CLA; (i) Retail Store Operator Licence; (ii) Manager Licence; and (iii) a Retail Store Authorization. A cannabis retail store may only open once a Retail Store Authorization is received in respect of that specific location. Only applicants for or holders of an Operator Licence may apply for a Retail Store Authorization. In addition, any individual, other than the holder of the Operator Licence, acting in a management function within a cannabis retail store (e.g., supervising employees, overseeing sales, managing compliance issues) must obtain a Retail Manager Licence.

Certain eligibility criteria must be met with respect to each licence and authorization. Retail Store Authorizations will not be issued for proposed locations that are within prescribed distances from schools or for locations within municipalities that have opted out of having cannabis stores located within their boundaries prior to January 22, 2019. The AGCO can also refuse an applicant if it is not satisfied that the applicant will exercise sufficient control (directly or indirectly) over its retail business, including over the premises, equipment and facilities.

On December 12, 2019, amendments to the Ontario Cannabis Regulations removed previous regional distribution limits and retail stores were permitted to be opened in all Ontario municipalities that have not "opted out" of the retail cannabis system. Effective September 1, 2021, a new limit was applied to how many Store Authorizations one retail store operator may hold, such that holders of an Operator Licence are now permitted to have up to seventy-five (75) stores. On February 7, 2022, the AGCO announced new updates to the Registrar's Standards for Cannabis Retail Stores regarding more detailed prohibitions around retailers accepting or requesting inducements from Licensed Producers, which came into effect on June 30, 2022.

Additional limits are imposed under the Ontario Cannabis Regulations on Licensed Producers. A corporation is not eligible to be issued an Operator Licence if more than twenty-five percent (25%) of the corporation is owned or controlled, directly or indirectly, by one or more Licensed Producers or their affiliates (as defined under the Ontario Cannabis Regulations). Licensed Producers themselves are permitted to apply to licence one cannabis retail store, but the store must be located at their production site.

In November 2020, in response to the COVID-19 pandemic, the Registrar's Standards for Cannabis Retail Stores were temporarily amended to allow cannabis retail stores to complete sales through curbside pick-up and delivery services. On October 7, 2021 the Ontario government announced proposed amendments to the CCA and CLA that would allow authorized cannabis retailers to provide curbside pick-up and delivery services on a permanent basis. Such amendments came into force on March 15, 2022.

Saskatchewan

The CCSA and the Cannabis Control (Saskatchewan) Regulations allow private cannabis retailers to sell cannabis, cannabis accessories and ancillary items in standalone storefront operations and deliver province-wide.

The SLGA is responsible for managing provincial oversight of the private retail adult use cannabis industry, including the issuance of private retail licences, private wholesale permits and the registration of Licensed Producers. The SLGA is not directly engaged in wholesale or retail distribution, or sales of adult-use cannabis.

Cannabis retailers in Saskatchewan are permitted to purchase cannabis from a Saskatchewan permitted wholesaler or retailer, or a Licensed Producer who is registered with the SLGA to sell to Saskatchewan retailers. The CCSA provides for the issuance of cannabis

permits for the purchase, possession, sale, transport and distribution of cannabis and also provides for the prescription, from time to time, of the maximum number of cannabis permits of each class of permit that can be issued. The SLGA issues the following three classes of cannabis permits and registrations: (i) Cannabis Retail Store Permits, which authorize the retail sale of cannabis for consumption and use off premises; (ii) Cannabis Wholesale Permits, which authorize the wholesale purchase and distribution of cannabis to holders of Cannabis Retail Store Permits (but not the general public); and (iii) the registrations to Licensed Producers authorizing them to ship directly from an existing warehouse facility to a holder of a Cannabis Retail Store Permit or a Cannabis Wholesale Permit. Although the Government of Saskatchewan had previously allocated a limited number of cannabis retail licences amongst municipalities across the province, the SLGA moved to an open licensing framework effective September 2020.

The CCSA prohibits: (a) individuals under the age of nineteen (19) from entering licensed cannabis retail premises or purchasing (or attempting to purchase), possessing, consuming, selling or distributing cannabis; (b) the sale of adult-use cannabis to an intoxicated person; and (c) possession or consumption of cannabis at a school or childcare facility or at a campground for which a cannabis ban has been declared. The CCSA authorizes the SLGA to establish terms and conditions for cannabis permits, including respecting the display, packaging or promotion of cannabis, and authorizes municipalities to fully or partially opt out of any cannabis activities authorized by a cannabis permit. The CCSA does not establish requirements for the location of cannabis retail stores and instead defers to municipalities to set restrictions on the number and location of cannabis retail stores in their communities through land use by-laws. The Lieutenant Governor in Council may also limit the maximum number of permits that may be issued.

The SLGA has released a Guide to Saskatchewan's Cannabis Retail, a Guide to Saskatchewan's Cannabis Wholesalers & LPs, and a Cannabis Regulatory Policy Manual.

Cannabis retail stores may only sell cannabis accessories and ancillary items that directly relate to cannabis, such as cannabis cookbooks, magazines and branded or themed apparel. A cannabis retailer may not sell tobacco products, lottery tickets, snack foods and beverages, products or equipment typically associated with the extraction of cannabinoids through the use of organic solvents, or other items that may encourage the overconsumption of cannabis, the consumption of illicit cannabis or the consumption of cannabis by minors. The SLGA has not issued a list of prohibited or permitted cannabis accessories or ancillary items.

The CCSA does not prohibit vertical integration or other close relationships between cannabis retailers and Licensed Producers. Rather, the SLGA explicitly authorizes a company to have an interest in both a producer and a retailer, and businesses that can demonstrate access to both supply and purchase commitments from Licensed Producers and permitted retailers are prioritized in the SLGA's review queue.

A permitted cannabis retail store may also sell its products online for delivery throughout the province using an approved delivery service or common carrier. Certain requirements apply to online sale, including proof of age of the recipient and that all sales must be made only to persons located in Saskatchewan.

Manitoba

Manitoba has legislated a hybrid public/private retail model for adult-use cannabis under the *Liquor, Gaming and Cannabis Control Act* and *Manitoba Liquor and Lotteries Corporation Act*) and the *Manitoba Gaming Liquor and Cannabis Regulation* and *Manitoba Cannabis Regulation*. Licensed private retailers operate all cannabis retail locations in Manitoba, selling cannabis supplied by MBLL. Licensed retailers in Manitoba are also authorized to conduct online sales. The LGCA is responsible for regulating Manitoba's cannabis industry. This includes licensing cannabis retail stores and distributors and ensuring that licensees comply with all regulatory requirements through regular inspections and audits.

The legislation establishes two categories of retail cannabis licence that may be issued by the LCGA. The Controlled-Access Licence and the Age-Restricted Licence. The Controlled-Access Licence authorizes the operation of a cannabis retail store that does not allow for customers to view or access cannabis until after purchase. The cannabis in a controlled-access store must be stored behind a counter or behind shelving with covers to prevent customers from viewing it. The Manitoba government has imposed a moratorium on the issuance of Controlled-Access Licenses until December 31, 2025. The Age-Restricted Licence authorizes the operation of a cannabis retail store that persons under the age of 19 are prohibited from entering. Cannabis, cannabis accessories, and cannabis promotional materials must not be visible from outside of an age-restricted store.

On June 1, 2020 Manitoba moved to Phase III of its retail cannabis framework, being an open-market for non-medical cannabis sales. In Phase III, the restrictions on who may apply for a retail cannabis licence and the lottery process have been eliminated in favour of a process that allows for any person or company to apply to establish a cannabis retail store in the province.

The *Manitoba Cannabis Regulation* sets out requirements for licensed retailers and distributors, including particulars of store security, store layout, sale transactions, record-keeping requirements, restrictions on promotion and advertising, online sales and so on. These regulations are supplemented by the Terms and Conditions published by the LGCA on September 13, 2018 (and last amended on July 1, 2023), with which retailers must comply.

MBLL applies a wholesale mark-up on adult-use cannabis, including a $0.75 per gram mark-up as a placeholder to the provincial share under the Canada-Manitoba Coordinated Tax Agreement, and a 9 percent mark-up applied on top of the $0.75 per gram. The Manitoba government also used to collect a cannabis retailer Social Responsibility Fee on the annual revenues from the sale of non-medical cannabis by all provincially-licensed cannabis retailers. On July 6, 2023, the Manitoba government proclaimed legislation under the Gaming and Cannabis Control Amendment Act (Social Responsibility Fee Repealed) eliminating the Social Responsibility Fee retroactively to January 1, 2022.

In June 2024, Manitoba passed legislation to amend the *Liquor, Gaming and Cannabis Control Act* to allow the personal cultivation of up to four cannabis plants in an individual's residence. These amendments are not yet in force. Further, municipalities may hold plebiscites to prohibit the local sale of cannabis in that municipality (or to repeal such prohibition).

U.S. CANNABIS-RELATED ACTIVITIES DISCLOSURE

In accordance with Staff Notice 51-352, the below discussion is intended to assist readers in understanding the extent of the Corporation's involvement, and the risks inherent, in the U.S. cannabis industry, and address the disclosure expectations outlined in Staff Notice 51-352. In accordance with Staff Notice 51-352, the Corporation will evaluate, monitor and reassess this disclosure, and any related risks, on an ongoing basis and intends to supplement and amend the same to investors in public filings, including in the event of government policy changes or the introduction of new or amended guidance, Laws or regulations regarding cannabis regulation.

Although the Business activities are materially compliant with applicable State and local Law, strict compliance with State and local Laws with respect to cannabis-related activities may neither absolve the Corporation and/or its Subsidiaries of liability under U.S. federal Law, nor may it provide a defense to any federal proceeding which may be brought against the Corporation and/or its Subsidiaries.

Nature of Involvement in the U.S. Cannabis Industry

The Corporation indirectly derives a portion of its revenues from the cannabis industry in the U.S., which industry is illegal under U.S. federal Law. As at the AIF Date, the Corporation and its Subsidiaries are not directly or indirectly engaged in the manufacture, importation, possession, use, sale, or distribution of cannabis in the adult-use or medical cannabis industry in the U.S. However, the Corporation and its Subsidiaries may be considered to have ancillary involvement in the U.S. cannabis industry in the following respects:

(a) in the U.S. cannabis industry at large, by virtue of the operations of Valiant Canada and Valiant, which involve the manufacture and distribution of branded smoking accessories and other alternative lifestyle products in the U.S.;

(b) in the U.S. cannabis industry at large, by virtue of the operations of the Grasscity Entities, Smoke Cartel, Daily High Club, and Dankstop, which involve the distribution of smoking accessories and cannabis lifestyle products (such as grinders, rolling papers, glass water pipes, smoking pipes, oil rigs and bubblers), through Grasscity.com and smokecartel.com, in the U.S.;

(c) in the U.S. Hemp and Hemp-based industry, by virtue of the operations of the Grasscity Entities, FABCBD, and NuLeaf, which involve the distribution of Hemp-based CBD oils and capsules; CBD skin care products; CBD edibles and pet treats; CBD smoking accessories such as vaporizers and cartridges; and Hemp products that contain, for example, 450 mg of Hemp-derived Delta-9 per container, but less than 0.3% on a "dry weight basis," and which may elicit psychoactive effects in consumers in the same manner as Delta-9 THC derived from cannabis. Each of the foregoing products are only sold within States in which the sale of the products does not expressly violate the state-controlled substance or state food and drug Laws of the state(s) in which the applicable product(s) are sold; and

(d) in the U.S. Hemp industry, by virtue of the sale of Hemp seeds which contain less than 0.3% Delta-9 THC on a dry weight basis by the Grasscity Entities and Smoke Cartel.

On June 14, 2022, the Corporation, through its Subsidiaries decided to restart sales in certain states in the United States of products containing Hemp-derived cannabinoids, including Delta-8 and Delta-9, extracted from cannabis plants that the Corporation understands to meet the definition of "Hemp" under the 2018 Farm Bill. The Corporation does not currently sell products containing Delta-8, but continues to sell products containing Hemp-derived Delta-9. The legality of Delta-8 derived from Hemp is uncertain and varies from state to state, with some states banning the sale of products containing Delta-8. The DEA has issued a statement that some have interpreted as making all Delta-8 illegal, while it has issued other statements that some interpret to the contrary. Moreover, the DEA has announced additional rulemaking is forthcoming, that may impact Delta-8. Likewise, there is uncertainty regarding the legality of certain Hemp-derived intoxicating Delta-9 products under the CSA and other federal and state laws. As a result, there is a risk that the DEA, other federal agencies or state law enforcement authorities could consider Subsidiaries' Delta-8 and Delta-9 products an illegal controlled substance under the U.S. CSA, the Federal Analogue Act, or respective state laws in the United States, which could subject the Corporation or its Subsidiaries to criminal or civil penalties.

Approximately 14% of the Corporation's assets, 6% of the Corporation's liabilities, and 8% of the Corporation's revenues for the financial year ended the Fiscal Year-End Date related to the U.S. cannabis industry.

Cannabis is Illegal under U.S. Federal Laws

In the U.S., cannabis is largely regulated at the state level with certain States having authorized the medical and/or adult use of, and activities relating to, cannabis under certain circumscribed circumstances. However, as at the AIF Date, the cultivation, distribution, selling, and possession of cannabis is illegal under U.S. federal Law pursuant to the U.S. CSA, subject to limited exceptions in respect of Hemp under certain circumscribed circumstances, discussed below (see "*United States Federal Regulation of Hemp*"). The U.S. CSA classifies cannabis as a Schedule I controlled substance with a high potential for abuse and no currently accepted medical use, which cannot be safely prescribed. However, the FDA has approved Epidiolex, which contains a purified form of CBD, a non-psychoactive cannabinoid in the cannabis plant, for the treatment of seizures associated with two epilepsy conditions. The FDA has not approved cannabis or cannabis derived compounds as a safe and effective drug for any other condition as at the AIF Date. Consequently, a range of activities, including cultivation and the personal use of cannabis, are prohibited by U.S. federal Law notwithstanding the existence of State-level Laws permitting such activities in respect of medical and/or adult use cannabis at the State-level in the U.S. Such activities, as well as attempting or conspiring to violate the U.S. CSA, or aiding and abetting in a violation of the U.S. CSA, are criminal acts under U.S. federal Law.

Enforcement of U.S. Federal Laws is a Significant Risk

The Supremacy Clause establishes that the U.S. Constitution and federal Laws made pursuant to it are paramount, and in case of conflict between federal and State Law, the federal Law shall apply. Strict compliance with state and local Laws with respect to cannabis may neither absolve the Corporation of liability under U.S. federal Law, nor may it provide a defense to any federal proceeding which may be brought against the Corporation. In particular, there is a significant risk that U.S. federal prosecutors may enforce U.S. federal Laws, or interpret Laws regarding Hemp differently than the Corporation, and seek to prosecute actors involved in activities related to cannabis in the U.S. despite the fact that such activities may be in compliance with applicable State-level Laws. Any enforcement of current U.S. federal Laws by U.S. federal prosecutors could cause significant financial damage to the Corporation and shareholders of the Corporation.

United States Federal Regulation of Hemp

The 2018 Farm Bill became Law on December 20, 2018. Prior to this Law, all non-exempt cannabis parts grown in the U.S. were scheduled as a controlled substance under the U.S. CSA, and as a result, the cultivation of Hemp for any purpose in the U.S. without a Schedule I registration with the DEA was illegal, unless exempted by the 2014 Farm Bill. The passage of the 2018 Farm Bill materially changed federal Laws governing Hemp by removing Hemp from the U.S. CSA and establishing a federal regulatory framework for Hemp production. Among other changes, the 2018 Farm Bill: (a) explicitly amended the U.S. CSA to exclude all parts of the cannabis plant (including cannabinoids, derivatives, and extracts) containing a THC concentration of not more than 0.3% Delta-9 on a dry weight basis from the definition of cannabis; (b) allows the commercial production and sale of Hemp in interstate commerce; and (c) establishes the USDA as the primary federal agency regulating the cultivation of Hemp in the U.S., while allowing states to adopt their own plans to regulate the same. The 2018 Farm Bill also creates a specific exemption from the U.S. CSA for THC found in Hemp. By defining Hemp to include its "cannabinoids, derivatives, and extracts," the DEA no longer has regulatory authority to interfere with the interstate commerce of Hemp products, so long as the DEA determines such products meet the definition of Hemp as amended by the 2018 Farm Bill and the Hemp was grown and processed by a person holding a license issued by either (i) USDA or (ii) in a state with a USDA-approved Hemp plan, the applicable state agency.

The provisions of the 2018 Farm Bill governing Hemp expired on September 23, 2023. On November 16, 2023, former President Biden signed into law H.R. 6363 (the Further Continuing Appropriations and Other Extensions Act, 2024) which extended the 2018 Farm Bill through September 30, 2024. While the 2018 Farm Bill expired on September 30, 2024, U.S. Congress passed H.R. 9746 (the Continuing Appropriations and Extension Act, 2025) on September 25, 2024, which extended federal spending for some of these programs through December 30, 2024. On December 21, 2024, former President Biden signed H.R. 10545 (the American Relief Act), which further extends the 2018 Farm Bill through September 30, 2025. Notably, regardless of the 2018 Farm Bill's expiration date, the definition of "hemp" is still codified in law.

Despite the passing of the 2018 Farm Bill, without additional federal clarification, there remains some ambiguity as to the permissibility of certain products in the United States, including, without limitation (i) certain products containing Hemp-derived CBD; (ii) products containing, for example, 5 mg of Hemp-derived Delta-9 per serving, but less than 0.3% THC on a "dry weight basis," and which may elicit psychoactive effects in consumers in the same manner as Delta-9 THC derived from cannabis; and (iii) certain products containing Delta-8. Much of this ambiguity is due to federal Laws and regulations other than the 2018 Farm Bill and/or the U.S. CSA, including, without limitation, the DEA IFR, FDCA, and Federal Analogue Act, and the enforcement priorities (or lack thereof) of the federal agencies tasked with enforcing such Laws and regulations.

For example, on August 21, 2020, the DEA issued a DEA IFR concerning implementation of the 2018 Farm Bill. Even though the 2018 Farm Bill removed Hemp and THC in Hemp from scheduling under the U.S. CSA, the DEA IFR purports to clarify that material that exceeds 0.3% THC remains controlled in Schedule I of the U.S. CSA. Additionally, the DEA IFR states that the 2018 Farm Bill does not impact the control status of synthetically derived THC, which the DEA claims is a controlled substance if present in any amount. "Synthetically derived" is not defined in the DEA IFR. It is worth noting that many States have defined "synthetically derived" to include Delta-8. Further, in a public presentation in May of 2023, the Chief of DEA's Drug and Chemical Evaluation Section, stated that the DEA intends to propose new rules clarifying which types of cannabinoids are synthetic cannabinoids and therefore are prohibited controlled substances. As of the AIF Date, the DEA has not proposed such clarifying rules.

In addition, under the Federal Analogue Act, chemicals that are "substantially similar" to controlled substances and which have a " *stimulant, depressant, or hallucinogenic effect on the central nervous system (CNS) that is substantially similar to or greater than*" the controlled substance, are treated as controlled under U.S. federal law."

Finally, although the 2018 Farm Bill removes "Hemp" from the U.S. CSA, the 2018 Farm Bill explicitly preserves the authority and jurisdiction of the FDA, under the FDCA, to regulate the manufacture, marketing, and sale of food, drugs, dietary supplements, and cosmetics, including products that contain Hemp extracts and derivatives, such as CBD and Delta-9. The FDCA will therefore continue to apply to Hemp-derived food, drugs, dietary supplements, cosmetics, and devices introduced, or prepared for introduction, into interstate commerce. The FDA has taken the position that it is unlawful to introduce food containing added CBD or THC into interstate commerce, or to market CBD or THC products as, or in, dietary supplements, regardless of whether the substances are Hemp-derived.

The FTC also regulates the labeling and advertising of certain CBD products under the Federal Trade Commission Act. The FDA and FTC have focused their enforcement efforts on companies selling CBD products which the agencies deem to be most likely to put consumers at risk. To date, a majority of these enforcement actions have come in the form of joint warning letters to companies selling CBD products making unapproved drug claims which state that such products prevent, diagnose, treat, or cure serious diseases, such as cancer. The FDA has sent similar letters to companies for selling products containing Delta-8. In recent years, the FTC has initiated numerous investigations of companies and their products containing CBD based on allegedly deceptive or misleading claims. Notably, on December 17, 2020, the FTC announced its first law enforcement crackdown on deceptive claims in the growing market for CBD products. The FTC took action against six sellers of CBD products for allegedly making a wide range of scientifically unsupported claims about their ability to treat serious health conditions. Among other things, each of these CBD-selling companies, and individuals behind them, were required to stop making such unsupported health claims immediately, and several will pay or have paid monetary judgments to the agency. By contrast, the FDA has not generally taken any enforcement action against CBD companies with respect to companies whose CBD products are devoid of such claims.

In addition, the FDA has issued policy statements expressing concerns about Delta-8's psychoactive and intoxicating effects; noting that products containing Delta-8 have not been evaluated or approved by the FDA for safe use and may be marketed in ways that put the public health at risk; and highlighting that it has received adverse event reports involving products containing Delta-8.

At the end of the 118 th congressional session, there was one piece of pending federal legislation that may have offered clarity on which hemp-derived consumable products are lawful in the U.S. On September 25, 2024, Senator Ron Wyden (D-OR) introduced a bill to regulate hemp and hemp products for human consumption and animal use. Known as the "Cannabinoid Safety and Regulation Act" (S.5243, 118th Congress (2024)), Wyden's bill, if passed, would have set the minimum age to purchase hemp-derived products in

the U.S. to 21 years of age, amended the FDCA, established national concentration, labeling, packaging and testing standards to protect the public health and safety, and imposed regulations to keep hemp-derived cannabis products out of the hands of minors. The Cannabinoid Safety Regulation Act was not passed during the 2024 lame duck session, and as of the AIF Date, no such similar federal legislation has been introduced.

In sum, despite the positive changes brought by the 2018 Farm Bill, there remain a number of considerations, potential changes in Laws, and uncertainties regarding the cultivation, sourcing, production and distribution of Hemp and products containing Hemp derivatives. Applicable Laws and regulations in the U.S. remain subject to change as there are different interpretations among federal, state and local regulatory agencies, legislators, academics and businesses with respect to the treatment of the importation of derivatives from exempted portions of the cannabis plant, the scope of operation of the 2014 Farm Bill and the 2018 Farm Bill, and the authorizations granted to 2018 Farm Bill-compliant Hemp growers and licensed Hemp-derived CBD or Delta-8 or Delta-9 producers. These different federal, state, and local agency interpretations touch on, among other things, the regulation of cannabinoids by the DEA, FDA and/or the FTC. These uncertainties likely cannot be resolved without further federal and state legislation, regulation or a definitive judicial interpretation of existing legislation and rules, and in the interim period, there continue to be several legal barriers to selling Hemp-derived products, including, but not limited to barriers arising from, (i) the fact that Hemp and cannabis are both derived from the cannabis plant, (ii) the rapidly changing patchwork of state Laws governing Hemp and Hemp-derived products, (iii) the lack of FDA approval for CBD or THC as a Lawful food ingredient, food additive or dietary supplement, (iv) the uncertain legal status of Delta-8 products, as well as products containing, for example, 5 mg of Delta-9 per serving, but less than 0.3% THC on a "dry weight basis," and which may elicit psychoactive effects in consumers in the same manner as Delta-9 THC derived from cannabis, and (v) what legally constitutes a "synthetically derived" cannabinoid.

In addition to the above federal considerations, many States have enacted Laws and regulations prohibiting the production, distribution, and/or sale of certain Hemp-derived products or regulating the production, sale, distribution and marketing of such Hemp-derived products.

The Corporation derives a substantial portion of its revenue from the sale of what it understands to be Hemp. Nevertheless, the uncertainty involving federal and state Laws and regulations creates a risk of enforcement of current or future U.S. federal Laws by U.S. federal prosecutors, or companion state Laws by state prosecutors. Such enforcement could cause significant financial damage to the Corporation and shareholders of the Corporation.

History of Legal Developments in the U.S. Cannabis Industry

In the U.S., cannabis containing in excess of 0.3% THC on a dry-weigh basis is categorized as a Schedule I controlled substance and is illegal under U.S. federal Law, specifically the U.S. CSA. Even in States that have legalized the sale and use of cannabis, such activities and certain related activities remain in violation of U.S. federal Law and are punishable by imprisonment, substantial fines, and forfeiture. However, although federally illegal, the U.S. federal government's approach to enforcement of the U.S. CSA has, at least until recently, trended toward non-enforcement. Notably, on January 6, 2022, DEA stated in a letter that "marijuana seed that has as delta-9-tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis meet the definition of "Hemp" and thus is not controlled under the CSA". Therefore, while the cannabis seed may eventually grow into a plant categorized as "marijuana" under the U.S. CSA, the DEA's January 6, 2022 letter suggests that the seed itself is not federally illegal, as long as the seed contains less than 0.3% Delta-9 THC on a dry weight basis. Importantly, the January 6, 2022 letter is non-binding guidance.

The Cole Memorandums

In August 2013, then Deputy Attorney General James Cole authored a memorandum (the "**Cole Memorandum**"), which outlined the priorities for the DOJ relating to the prosecution of cannabis offenses. The Cole Memorandum acknowledged that, notwithstanding the designation of cannabis as a controlled substance at the federal level in the U.S., several States had enacted Laws relating to cannabis for medical purposes. In particular, the Cole Memorandum noted that in jurisdictions that have enacted Laws legalizing cannabis in some form and implemented strong and effective regulatory and enforcement systems to control the cultivation, distribution, sale and possession of cannabis, conduct in compliance with those Laws and regulations is less likely to be a priority at the federal level. In light of limited investigative and prosecutorial resources, the Cole Memorandum concluded that the DOJ should be focused on addressing only priority cannabis-related conduct to enforce the U.S. CSA. States where medical cannabis had been legalized were not characterized as a priority. The enforcement priorities of the Cole Memorandum were reaffirmed, again, in a 2014 memorandum of the DOJ (the "**2014 Cole Memorandum**").

The Sessions Memorandum

On January 4, 2018, former U.S. Attorney General Jeff Sessions issued the Sessions Memorandum, which rescinded previous guidance from the U.S. Department of Justice specific to cannabis enforcement in the U.S., including the Cole Memorandum and the 2014 Cole Memorandum. While the Sessions Memorandum did not indicate that the prosecution of cannabis-related offenses would be priority for the DOJ under the Trump Administration, in rescinding the Cole Memorandum and the 2014 Cole Memorandum, the Sessions Memorandum granted U.S. federal prosecutors' discretion in determining whether or not to prosecute cannabis and cannabis-related violations of U.S. federal Law.

In the event that U.S. federal prosecutors exercise their discretion and pursue prosecutions against the Corporation, alleging cannabis and cannabis-related violations of U.S. federal Law, then the Corporation could potentially face (i) the arrest of its employees, directors, officers, managers and investors, (ii) charges of ancillary criminal violations of the U.S. CSA, for federal money laundering, racketeer influenced and corrupt organizations act violations, and aiding and abetting and conspiring to violate the U.S. CSA by virtue of providing financial support, services, or goods to participants in the cannabis industry, including State-licensed or permitted cultivators, processors, distributors, and/or retailers of cannabis, (iii) restrictions on the entry of employees, directors, officers, managers and investors who are not U.S. citizens from entry into the U.S. for life, or (d) suspension of its U.S. business operations.

The Biden Administration

Former U.S. Attorney General Jeff Sessions resigned on November 7, 2018, at the request of President Trump. Following Mr. Sessions' resignation and the brief tenure of Matthew Whitaker as Acting U.S. Attorney General, William Barr was confirmed as the U.S. Attorney General on February 14, 2019. Mr. Barr resigned as Attorney General on December 23, 2020. Former President Biden nominated federal judge Merrick Garland to serve as his Attorney General. During his confirmation hearings in the Senate on February 22, 2021, now Attorney General Mr. Garland confirmed that he would not prioritize pursuing cannabis prosecutions in States that have legalized and that are regulating the use of cannabis, both for medical and adult use. On March 11, 2021, Mr. Garland was sworn in as U.S. Attorney General. Former President Biden issued a statement on October 6, 2022, announcing a pardon of prior Federal offenses of simple possession of cannabis, encouraging state governors to issue pardons for equivalent state-level offenses, and requesting the Secretary of Health and Human Services (HHS) and Mr. Garland to review the classification of cannabis under the U.S. CSA. Notably, this directive resulted in a recommendation by the HHS that the U.S. Drug Enforcement Agency reschedule marijuana. Mr. Garland testified on March 1, 2023, before the Senate Judiciary Committee that the enforcement priorities for the DOJ relating to the prosecution of cannabis offenses going forward would be very similar to those outlined by the Cole Memorandum.

The Second Trump Administration

On January 20, 2025, President Donald Trump was sworn into office for a second term. As of the AIF date, President Trump's choice for U.S. Attorney General, Pam Bondi, is awaiting Senate confirmation and the new Trump Administration has not advised on the administration's priorities pertaining to cannabis enforcement.

Unless and until U.S. Congress amends the U.S. CSA with respect to medical or adult-use cannabis (and there can be no assurance as to the timing or scope of any such potential amendments, if any), there is a significant risk that federal authorities may enforce current U.S. Federal Law. If the U.S. federal government begins to enforce U.S. federal Laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing applicable state Laws are repealed or curtailed, any such occurrence could have a Material Adverse Effect.

There can be no assurance that State Laws which removed cannabis from state-controlled substances Laws and regulate the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of State Laws within their respective jurisdictions.

The Leahy Amendment and Medical Cannabis

Although the Cole Memorandum and 2014 Cole Memo have been rescinded, one legislative safeguard for the medical cannabis industry remains in place in the U.S. Since 2014, the U.S. Congress has passed appropriations bills which included provisions to prevent the federal government from using congressionally appropriated funds to enforce U.S. federal Cannabis Laws against regulated medical cannabis actors operating in compliance with state and local Law (currently the "**Leahy Amendment**", but also sometimes referred to as the Rohrabacher-Farr Amendment" or the "Joyce-Leahy Amendment").

The Leahy Amendment was included in the fiscal year 2019 omnibus appropriations bill signed by former U.S. President, Donald Trump on February 15, 2019, to prevent the U.S. federal government from using congressionally appropriated funds to enforce federal Cannabis Laws against regulated medical cannabis actors operating in compliance with state and local Law. This extended the Leahy Amendment until September 30, 2019. On September 27, 2019, President Trump signed a continuing resolution to fund the

government through November 21, 2019, to prevent a government shutdown. On December 20, 2019, the Further Consolidated Appropriations Act, 2020 was passed, which authorizes appropriations to fund the operation of certain agencies in the U.S. federal government through September 30, 2020. On September 30, 2021, the Leahy Amendment was renewed through the signing of the Extending Government Funding and Delivering Emergency Assistance Act, which remained in effect until December 3, 2021. On December 3, 2021, former President Biden signed "Further Extending Government Funding Act" into Law which includes a short-term continuing resolution that provides fiscal year 2022 appropriations to Federal agencies through February 18, 2022; additional continuing resolutions extended the appropriations to March 11, 2022 and again to March 15, 2022. On March 15, 2022, U.S. Congress passed the "Consolidated Appropriations Act, 2022" maintaining the medical cannabis protections through September 30, 2022. On September 30, 2022, another continuing resolution was passed through December 16, 2022, which was ultimately extended until December 30, 2022. On December 29, 2022 the "Consolidated Appropriations Act, 2023" become law, extending the medical marijuana protections to September 30, 2023, and on November 16, 2023 a continuing resolution was passed extending funding through January 19, 2024 or February 2, 2024 (depending on the agency in question), and January 19, 2024 a continuing resolution was passed extending funding through March 1, 2024 or March 8, 2024 (again depending on the agency in question). On March 9, 2024, as part of a package of six spending bills, former President Biden again extended the funding through September 30, 2024. As of the AIF Date, funding for the Leahy Amendment has lapsed and U.S. Congress has yet to introduce the Consolidated Appropriations Act for the 2025 fiscal year or similar legislation to extend the amendment. As of the AIF Date, a case is also pending in the U.S. Circuit Court of Appeals for the First Circuit that challenges the federal government's regulation of state legalized marijuana activity as unconstitutional given U.S. Congress' continued extension of the Leahy Amendment.

Importantly, even if the Leahy Amendment is included in future appropriations bills, it is important to note that the Leahy Amendment provides no protection against businesses operating in compliance with a U.S. state's adult-use Cannabis Laws.

DEA Rescheduling Proceedings

On December 2, 2024, the DEA commenced formal rule-making proceedings regarding the proposed rescheduling of marijuana to schedule III. The hearings were set to commence on January 21, 2025. However on January 15, 2025, the DEA announced that the rescheduling hearings have been postponed for at least 90 days pending resolution of an appeal filed by a party in the proceedings. As of the AIF Date, the rescheduling proceedings are ongoing and a new hearing date has yet to be announced.

Summary

Cannabis remains illegal under federal Law in the U.S. However, despite the current state of U.S. federal Law, several States (including states within which the Corporation might indirectly derive a portion of its revenues from) have legalized adult-use of cannabis. In addition, well over half of the States have enacted legislation to legalize and regulate the sale and use of medical cannabis without limits on cannabis derived THC, while other States have legalized and regulated the sale and use of medical cannabis with strict limits on the levels of cannabis derived THC.

The conflict between U.S. federal Law and U.S. state-level Laws amid the presence of the Supremacy Clause, described above, has significant implications for the U.S. cannabis industry at large and for the Corporation. First, notwithstanding the existence of U.S. state-level Laws permitting medical or adult-use cannabis activities, and notwithstanding the fact that the Corporation, or industry partners may be in compliance with such U.S. state-level Laws, there is a significant risk that U.S. federal prosecutors may enforce U.S. federal Laws, or interpret Laws regarding Hemp differently than the Corporation, and seek to prosecute actors involved in activities related to cannabis. Any enforcement of current U.S. federal Laws by U.S. federal prosecutors could cause significant financial damage to the Corporation and shareholders of the Corporation. Violations of any U.S. federal Laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the U.S. federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a Material Adverse Effect and may affect the Corporation's reputation and ability to conduct business, its financial position, operating results, profitability or liquidity or the market price of its publicly traded securities. In addition, it is difficult to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial.

Second, insofar as the activities of the Corporation relate to Hemp, there remain a number of considerations, potential changes in Laws, and uncertainties regarding the cultivation, sourcing, production and distribution of Hemp and products containing Hemp derivatives. Applicable Laws and regulations in the U.S. remain subject to change as there are different interpretations among federal, state and local regulatory agencies, legislators, academics and businesses with respect to the treatment of the importation of derivatives from exempted portions of the cannabis plant, the scope and the products permitted under the 2018 Farm Bill, and the authorizations granted to 2018 Farm Bill-compliant Hemp growers and licensed Hemp-derived CBD producers. These different federal, state and

local agency interpretations, as discussed above, touch on the regulation of Hemp products by the FDA, FC, DEA, and other regulatory agencies and the extent to which certain products are permissible under federal and/or state Law. If existing applicable state or federal Laws in respect of Hemp in the U.S. are repealed or curtailed, or otherwise interpreted in a manner adverse to the activities of the Corporation as they relate to Hemp, any such occurrence could have a Material Adverse Effect.

In addition, described more fully in the section titled " *Risk Factors – Discretion in the Use of Proceeds* ," the Corporation has decided to (i) start the sale of products containing, for example, 5 mg of Hemp-derived Delta-9 per serving, but less than 0.3% THC on a "dry weight basis," and which may elicit psychoactive effects in consumers in the same manner as Delta-9 THC derived from cannabis, and (ii) the sale of Hemp seeds. The foregoing decisions could have a Material Adverse Effect.

There can be no guarantee that U.S. state Laws legalizing and regulating the sale and use of cannabis or Hemp will not change or be repealed or overturned, or that local government authorities in the U.S. will not limit the applicability of U.S. state Laws within their respective jurisdictions. There is a significant risk that future developments in the U.S. cannabis industry could result in third-party service providers suspending or withdrawing services essential to the Corporation to continue operations in the U.S., and a significant risk that regulatory bodies may impose certain restrictions on the Corporation's ability to operate in the U.S.

Ability to Access Capital

The continued development of the Corporation's U.S. operations may require additional financing. The failure to raise such capital could result in the delay or indefinite postponement of the Corporation's current business strategy in the U.S. or the Corporation ceasing to carry on business in the U.S. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Corporation. Specifically, given the current Laws regarding cannabis at the federal level in the U.S., traditional bank financing is typically not available to issuers engaged in the U.S. cannabis industry. The federal illegality of cannabis in the U.S. means that financial transactions involving proceeds generated by cannabis-related conduct can form the basis for prosecution under several U.S. statutes, including money laundering statutes. As a result, the Corporation may not be able to secure financing on terms acceptable to it, or at all.

In the event that the Corporation raises funds to support its U.S. operations through the issuances of equity or convertible debt securities, existing shareholders of the Corporation could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to those of holders of Common Shares. In addition, from time to time, the Corporation may enter into transactions to acquire assets or the shares of other companies in furtherance of its U.S. operations. These transactions may be financed wholly or partially with debt, which may temporarily increase the Corporation's debt levels above industry standards. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Corporation to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Table of Concordance

In accordance with Staff Notice 51-352, the following is a table of concordance, which is intended to assist readers in identifying those parts of this AIF that address the disclosure expectations outlined in Staff Notice 51-352. Unless otherwise indicated, all cross references in the below table of concordance refer to subheadings under the heading "*U.S. Cannabis-Related Activities Disclosure*".

Industry Involvement	Specific Disclosure Necessary to Fairly Present All Material Facts, Risks and Uncertainties	Cross References / Notes
All Issuers with U.S. Cannabis- Related Activities	Describe the nature of the issuer's involvement in the U.S. cannabis industry and include the disclosures indicated for at least one of the direct, indirect and ancillary industry involvement types noted in this table.	See: *"Nature of Involvement in the U.S. Cannabis Industry"*
	Prominently state that cannabis is illegal under U.S. federal Law and that enforcement of relevant Laws is a significant risk.	See: • *"Nature of Involvement in the U.S. Cannabis Industry"* • *"Cannabis is Illegal under U.S. Federal Laws"* *"Recap and Summary"*
	Discuss any statements and other available guidance made by federal authorities or prosecutors regarding the risk of enforcement action in any jurisdiction where the issuer conducts U.S. cannabis-related activities.	See: *"History of Legal Developments in the U.S. Cannabis Industry"*
	Outline related risks including, among others, the risk that third-party service providers could suspend or withdraw services and the risk that regulatory bodies could impose certain restrictions on the issuer's ability to operate in the U.S.	See: • *"Nature of Involvement in the U.S. Cannabis Industry"* • *"Cannabis is Illegal under U.S. Federal Laws"* • *"History of Legal Developments in the U.S. Cannabis Industry"* *"Recap and Summary"*
	Given the illegality of cannabis under U.S. federal Law, discuss the issuer's ability to access both public and private capital and indicate what financing options are / are not available in order to support continuing operations.	See: *"Ability to Access Capital"*
	Quantify the issuer's balance sheet and operating statement exposure to U.S. cannabis-related activities.	Approximately 14% of the Corporation's assets, 6% of the Corporation's liabilities, and 8% of the Corporation's revenues for the Fiscal Year End Date related to the U.S. cannabis industry.
	Disclose if legal advice has not been obtained, either in the form of a legal opinion or otherwise, regarding (a) compliance with applicable state regulatory frameworks and (b) potential exposure and implications arising from U.S. federal Law.	The Corporation has received legal advice from U.S. attorneys regarding (i) compliance with applicable U.S. State regulatory frameworks and (ii) potential exposure and implications arising from U.S. federal Law. The Corporation and its U.S. counsel continue to monitor compliance carefully on an ongoing basis.
U.S. Cannabis Issuers with direct involvement in cultivation or distribution	Outline the regulations for States in which the issuer operates and confirm how the issuer complies with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state.	N/A

Industry Involvement	Specific Disclosure Necessary to Fairly Present All Material Facts, Risks and Uncertainties	Cross References / Notes
	Discuss the issuer's program for monitoring compliance with U.S. state Law on an ongoing basis, outline internal compliance procedures and provide a positive statement indicating that the issuer is in compliance with U.S. state Law and the related licensing framework. Promptly disclose any non-compliance, citations or notices of violation which may have an impact on the issuer's licence, business activities or operations.	N/A
U.S. Cannabis Issuers with indirect involvement in cultivation or distribution	Outline the regulations for States in which the issuer's investee(s) operate.	N/A
	Provide reasonable assurance, through either positive or negative statements, that the investee's business is in compliance with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state. Promptly disclose any noncompliance, citations or notices of violation, of which the issuer is aware, that may have an impact on the investee's licence, business activities or operations.	N/A
U.S. Cannabis Issuers with material ancillary involvement	Provide reasonable assurance, through either positive or negative statements, that the applicable customer's or investee's business is in compliance with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state.	The Corporation takes commercially reasonable steps to (i) regularly monitor the development of applicable federal and state Laws within the U.S., licensing requirements and regulatory frameworks, (ii) engage U.S. legal counsel, where appropriate, to ensure it is operating in compliance with all applicable Laws and permits, and (ii) ensure that all third parties with which the Corporation engage in business dealings with are in compliance with the applicable cannabis regulatory framework enacted by the applicable State. The Corporation believes that it is, and to the best of its knowledge, believes that each third party with which it has a working business relationship is, as at the AIF Date, in compliance with the applicable cannabis regulatory framework in the States in which it operates.

U.K. CBD ACTIVITIES DISCLOSURE

Background to the CBD/Wellness Industry

CBD is derived from the Hemp plant which is a species of the cannabis genus. Hemp generally has a high CBD content and a low THC content. In 1973, a protocol amended the United Nations Single Convention on Narcotic Drugs 1961, pursuant to which it was recommended that industrial Hemp (non-drug related cannabis) should not be classified as a narcotic substance. Consequently, U.K. and European Union agricultural policies currently permit the cultivation of certain approved varieties of Hemp with a THC content not exceeding 0.2%.

As a result of its cannabinoid composition, high volumes of CBD oil are capable of being extracted from the Hemp plant. However, the Home Office prevents the extraction of CBD oil in the U.K., as Hemp farmers are prevented from using the bud and flower of the plant. These are the areas of the plant which yield the highest quality and largest volume of CBD. Due to this restriction, all of the CBD in the U.K. is imported, mainly from the U.S. and Europe. Although the Home Office does not allow extraction to take place in the U.K., CBD oils can lawfully be brought into and sold in the U.K. provided that the controlled cannabinoid content observes the limit set out in Regulation 2 of the Misuse of Drugs Regulations 2001 (MDR 2001).

The sale of CBD products is now widespread in the U.K. and European Union, and such products are predominantly available for sale online, and in specialist health food shops such as Holland & Barrett. CBD products are thought to provide therapeutic benefits without the intoxicating effects commonly associated with other cannabis products and in particular, THC.

CBD has widespread potential for commercial use in that it can be ingested as oils or edibles and inhaled in vape products. CBD can also be infused into cosmetics and topical creams.

For a number of years, the CBD industry in the U.K. and European Union has been relatively unregulated. However, due to the increasing popularity of the products, the legislative framework in the U.K. and European Union has developed substantially to ensure the quality and safety of CBD products being sold to consumers. The industry is closely monitored by a number of regulators to ensure that the general policy restricting the sale of certain narcotics, and specifically THC, is maintained. Any company failing to comply with the restrictions in relation to controlled cannabinoids can expect to face a range of criminal penalties for contraventions of national narcotics legislation.

Application of the Proceeds of Crime Act 2002 (POCA) to CBD Business

POCA makes it a criminal offence to handle funds derived from criminal conduct. Such offence relates to criminal conduct taking place in the U.K., but also extends to business activities undertaken lawfully overseas, but which would constitute an offence if they occurred in the U.K.

The global cannabis industry can be segregated into three distinct sectors: CBD wellness, medicinal cannabis and recreational cannabis. Both CBD wellness and medicinal cannabis activities are legal in the U.K. Therefore, income derived from such activities undertaken lawfully overseas should not create any risk of an offence under POCA.

The use of cannabis for recreational purposes is not legal in the U.K. Therefore, income derived from recreational cannabis business activities undertaken in overseas jurisdictions would if undertaken by the Corporation risk a breach of the relevant provisions of POCA, even if such business activities were lawful in such overseas jurisdiction.

ailure to monitor and control funds derived from recreational cannabis activities overseas, could result in intervention by the National Crime Agency. It is a risk that the Board has taken very seriously and the Board will continue to do.

CBD/Wellness Business Activities in the U.K.

The principal legislation which will governs CBD/Wellness Activities in the U.K. is set out as follows:

Misuse of Drugs Act 1971 (MDA 1971) and MDR 2001

The MDR 2001 were created pursuant to section 7(1) of the MDA 1971 to regulate the availability of controlled substances in the U.K. Such substances are identified in Schedule 1 of the MDR 2001. Generally, a Schedule 1 controlled substance cannot be sold in or into the U.K. with or without a licence.

A substance identified in Schedule 2 of the MDR 2001 may, provided that it satisfies certain conditions, be sold legally in or into the U.K. with a licence issued by the Home Office.

In the U.K., cannabis is classified as a Class B controlled drug under Part II, Schedule 2, of the MDA 1971. It is also listed in Schedule 1 to the MDR 2001 and designated under the Misuse of Drugs (Designation) (England, Wales and Scotland) Order 2015. As such, it is unlawful to possess, supply, produce, import or export this drug except under a Home Office licence. It is also an offence to cultivate any plant of the genus Cannabis except under a Home Office licence.

Pure CBD is not a “controlled substance” or “controlled drug” pursuant to the MDR 2001 and is therefore unregulated in the U.K., so that in principle it can lawfully be imported and sold in the U.K. without a licence.

However, although pure CBD is not regulated by the MDR 2001 it is generally accepted that CBD products will contain trace elements of controlled cannabinoids such as THC. A CBD product containing a substance or drug which is controlled under Schedule 2 will itself be deemed to be "controlled" and will require a Home Office licence before importation, commercialisation or sale to the public in the U.K. unless it falls within certain recognised exemptions.

Regulation 2 of the MDR 2001, provides that some products may, in limited circumstances, be considered 'exempt' from control, notwithstanding their 'controlled drug' content.

Pursuant to Regulation 2:

An "exempt product" means a preparation or other product consisting of one or more component parts, any of which contains a controlled drug, where—

(a) the preparation or other product is not designed for administration of the controlled drug to a human being or animal;

(b) the controlled drug in any component part is packaged in such a form, or in combination with other active or inert substances in such a manner, that it cannot be recovered by readily applicable means or in a yield which constitutes a risk to health; and

(c) no one component part of the product or preparation contains more than one milligram of the controlled drug or one microgram in the case of lysergide or any other N-alkyl derivative of lysergamide.

To meet the criteria of an exempted product all three limbs of the definition must be met:

1. The preparation or other product is not designed for administration of the controlled drug to a human being or animal;

The CBD products are marketed and sold as wellness products and their packaging contains the following warning: *'This product is not intended to diagnose, treat, cure or prevent any disease.*' They are therefore clearly not being sold for medicinal use.

2. The controlled drug in any component part is packaged in such a form, or in combination with other active or inert substances in such a manner, that it cannot be recovered by readily applicable means or in a yield which constitutes a risk to health;

The Home Office has issued formal guidance in respect of CBD and cannabinoids which provides that the 1mg rule means '1mg per container'. Whether the container is small or large, the maximum amount of controlled cannabinoid content is 1mg.

CBD products are sold in 10ml bottles. 1mg of controlled cannabinoids in a 10ml container equates to 0.01% THC content per container. That means the controlled cannabinoid content of the packaged products will be exceptionally low.

The packaging of the CBD products contains a warning that the consumer should not exceed a daily dose of 70mg CBD.

3. No one component part of the product or preparation contains more than one milligram of the controlled drug or one microgram in the case of lysergide or any other N-alkyl derivative of lysergamide;

The CBD products are heavily remediated during the manufacturing process to remove any controlled cannabinoid content. Any trace cannabinoid content left in the products is at such a minute level that they cannot be readily recovered, or even be detected by the most sophisticated laboratories. The Board believe that it is not scientifically or technologically possible to remediate these samples any further in private business operations. All the CBD products are regularly tested by third party specialist laboratories to ensure that controlled cannabinoids are at non-detectable levels and that the composite amount of controlled cannabinoid content will be below 1mg in a 10ml container.

CBD products can be distributed and/or sold commercially in the U.K. without the requirement for a Home Office controlled drugs licence on the basis that they fall within the definition of an 'exempted product' under the MDR 2001.

Novel Foods

In 2015, the European Parliament and the European Council implemented the Novel Foods Regulation (NFR) on Novel Foods. The NFR defines a 'Novel Food' as any substance or product ingested by humans that was not used for human consumption to a significant degree within the European Union before May 15, 1997 and which falls within one of the specified categories amounting to a 'Novel Food', including (but not limited to) a food with a new or intentional modification ("**Novel Food**").

Under the NFR, Novel Foods must be authorised and included in the "Union List" before they can be marketed or used in foods sold in the European Union. The NFR provide for a centralised assessment and authorisation procedure for registering new Novel Foods including a risk assessment on the product's safety by the European Food Safety Authority, which assesses the compositional, nutritional, toxicological and allergenic properties of the product as well as its production processes and its proposed use and levels of use.

The NFR are only applicable to ingestible products. An ingestible product is any substance or product, whether processed, partially processed or unprocessed, intended to be or reasonably expected to be ingested by humans. This will include products which are ingested orally. Certain products are excluded from the Novel Foods regime as they are not ingested. Inhalation is not ingestion, and therefore vape products are not subject to the Novel Foods regime.

For the same reason cosmetic products are also not subject to the Novel Foods regime.

The European Union maintains a Novel Foods "catalogue", which is a non-legally binding database which lists foods whose Novel Foods status is based on information provided by the European Union member states. The catalogue contains an entry for cannabinoids which therefore categorises ingestible products containing cannabinoids, including CBD, as a Novel Food.

As the catalogue is advisory only, it is left to individual member states as to whether they choose to implement the Novel Foods regime and processes for any food entered in the catalogue. To date, no CBD ingestible product has been authorised and included on the 'Union List' according to the processes outlined in the NFR.

The U.K. left the European Union on January 31, 2020 and on February 13, 2020, the Food Standards Agency (FSA) issued guidance as to the safe use of CBD products and confirmed that (a) compliance with the Novel Foods regime would be required for ingestible CBD products to be sold lawfully in the U.K.; and (b) the safety analysis required to compile a Novel Foods dossier submission for authorisation of CBD products as ingestibles in the U.K. would be the same as set out in the NFR. However, the route to compliance for the U.K. would be substantially different to that of the European Union.

Novel foods, like CBD food products, must be authorized before they are put on the market to ensure they have been through an independent safety assessment. Applications for authorization of CBD food products are required as these products are considered a novel food having no history of consumption before May 1997.

Under the U.K.'s Novel Foods regime, full marketing authorisation is required before CBD ingestible products can be lawfully sold in the U.K. Obtaining full marketing authorisation is a lengthy and expensive process. To allow existing CBD businesses to continue trading while seeking Novel Foods authorisation, the FSA has provided an exemption to allow existing CBD businesses to continue to sell their ingestible products in the U.K. while their Novel Foods submissions are being considered.

To benefit from the FSA exemption, existing CBD businesses in the U.K. market must satisfy two criteria:

1 their ingestible products must have been included in a Novel Foods dossier submitted to the FSA prior to March 31, 2021; and each product included in the dossier must have been on sale in the U.K. prior to February 13, 2020; and

2 To ensure its compliance with the FSA's Novel Foods regime a CBD company can engage its supplier to make a dossier submission to the FSA. Under the FSA regime, there is no requirement for the company to make its own submission. It is acceptable for the company's products to be named in its supplier's dossier submission. This was confirmed by the FSA in March 2021 in their website update which stated that authorization applied to products and were not specific to applicants:

"The authorisation itself is not specific to the applicant and the final product may be branded in different ways." (https://www.food.gov.uk/business-guidance/cannabidiol-cbd)

On March 31, 2022, the FSA published a list of CBD food products on sale in England and Wales which have a credible application for authorization. The FSA has recommended that the CBD products on the list marked as 'Validated' or 'Awaiting evidence' may stay on the market in England and Wales, pending further consideration. Any products which do not appear on the list or are marked as 'Removed' must be withdrawn from the market, as the related novel food application/dossier has not been submitted or has been deemed unsuitable for progressing to authorization.

The FSA guidance on product status provides the following definitions:

Validated: Validation requires checking that an application contains all information required by law to allow it to proceed through the authorisation process. This information includes the necessary evidence to carry out a risk assessment. If any of this information is

missing, the application cannot be legally validated. If applications are 'validated' in the initial stage of the novel food authorisation process they are passed on to the risk assessment phase.

Awaiting evidence: Some applications that have not been validated are progressing well towards providing this information, with evidence of plans to complete the studies required for a risk assessment. These studies must be of an acceptable quality and with a clear agreed deadline for submission for validation. Products linked to these applications are included in the 'awaiting evidence' category.

Removed: If a novel food application has not made sufficient progress towards validation in the agreed time or has not made it to the next stage of the authorization process, we will update the status of the CBD products linked to this application to 'Removed'.

The FSA's CBD product list applies to England and Wales only.

The FSA is shortly expecting to receive significant scientific evidence from the applicants on the list from which to assess safety of the relevant product. Applications must go through a full risk assessment and, if successful, risk management process before a recommendation on authorisation can be made. For those products whose applications are successful, authorisation is expected later in 2025, although the FSA has not provided any timeline.

The list is updated regularly by the FSA to reflect the status of the products in the process.

Inclusion of a CBD product on the list does not mean it is authorized, only that the applicant is seeking authorization.

Further, a validated application does not mean that the application will be authorized.

Products which do not appear on the list may not lawfully be sold in the U.K. and outlets which do so risk enforcement action by their local authority:

"Local authorities are responsible for enforcing the legislation but we have asked that they take account of the products on the list as suppliers of such products have shown an interest in moving towards compliance. We expect companies which have not applied for authorisation or those rejected from the process to withdraw their products from the market voluntarily. If this does not happen, local authorities can use the list to inform their enforcement decisions."[2]

The FSA's guidance makes it clear that the FSA does not consider non-ingestible CBD products, such as cosmetics and vapes, as falling within the scope of the FSA's Novel Foods regime.

There are currently no authorised CBD extracts or isolates on the market.

The Medicines and Healthcare Products Regulatory Agency (MHRA) Guidelines

The MHRA issued a statement entitled 'MHRA statement on products containing cannabidiol' on October 13, 2016 which advises that CBD wellness products are currently not regulated as a medicine and therefore no medical claims can be made about CBD products sold in the wellness supplements market in the U.K. There is very little guidance around what might be considered a 'medical claim' for these purposes but the ASA provided guidance on its website entitled 'Cannabidiol (CBD) containing products' on July 28, 2021, of what it might consider to be a medical claim:

"If the product is not a licensed medicine, marketers should not make any medicinal claims in their ads. The Advertising Standards Agency (ASA) and Committees of Advertising Practice (CAP) considers that claims that a product can "cure", "restore", "prevent", "avoid", "fight" or "heal" are likely to be considered as medicinal and advertisers of non-licensed CBD containing products should avoid making reference to them."[2]

Although the ASA has no rights of enforcement, its guidance on specific claims for food supplements continues to be useful. Advertising that proclaims the relaxation and tranquillity attributes of the advertised products will not be considered to make a medical claim. However, any advertising or marketing which refers to recognised medical conditions such as anxiety, insomnia or post-traumatic stress disorder will be deemed to be of a medical nature.

[2] https://www.food.gov.uk/business-guidance/cbd-products-linked-to-novel-food-applications
[2] https://www.asa.org.uk/advice-online/cannabidiol-cbd-containing-products.html#Medicine

The MHRA has enforcement rights and has been known to issue 'cease and desist' type notices to any business making what they deem to be medical claims relating to CBD products.

U.K. regulations applicable to cosmetic products

Products containing CBD in the U.K. which fall within the general description of a 'cosmetic' product, such as shampoos and lip balms, are governed by The Cosmetic Products Enforcement Regulations 2013 and the European Union Cosmetics Regulation (EC) No 1223/2009 on Cosmetic Products, as amended by the Product Safety Regulations.

The definition of a cosmetic product is as follows:

"A "cosmetic product" shall mean any substance or mixture intended to be placed in contact with the various external parts of the human body (epidermis, hair system, nails, lips and external genital organs) or with the teeth and mucous membranes of the oral cavity with a view exclusively or mainly to cleaning them, perfuming them, changing their appearance and/or correcting body odours and/or protecting them or keeping them in good condition."

It is lawful to sell cosmetics containing CBD in the U.K., provided that certain regulatory requirements are met.

Previously, when the U.K. was a member of the European Union, cosmetic products had to be registered on the European Commission Cosmetics Product Notification Portal.

Following the U.K.'s exit from the European Union on January 31, 2020, in accordance with Article 13 of The Product Safety and Metrology etc. (Amendment to Extent and Meaning of Market) (European Union Exit) Regulations 2019, cosmetic products are required to be registered with the SCPN portal (through the U.K. Government's department Office for Product Safety and Standards), prior to March 31, 2021.

Pursuant to the Product Safety Regulations, the cosmetic product can either be registered with the SCPN by the manufacturer, the importer or retailer, but the product itself and not the name of the brand must be registered. This provides traceability compliance for all cosmetic products sold in the U.K.

It is a legal requirement to nominate a Responsible Person whose obligation it is to ensure that cosmetic products sold in the U.K. are safe for use and compliant with Schedule 34 of the Product Safety Regulations.

Medicinal Cannabis Activities in the U.K.

The MDR 2001 provides a legal framework for access to controlled drugs for legitimate purposes in the U.K. As referred above, pursuant to Schedule 2, Part II MDA 1971, cannabis is classed as a Class B 'controlled drug' and under Schedule 1 of MDR 2001 and may, provided that it satisfies certain conditions, be sold legally in or into the U.K. with a licence issued by the Home Office.

The regulation of medicines in the U.K. is undertaken by the MHRA in accordance with the Human Medicines Regulations 2012 (HMR).

In accordance with the HMR, licensed medicinal products placed on the market in the U.K. must be subject to marketing authorisation (product licencing). Marketing authorisation means that the product is a licenced medicine, as approved by the MHRA. A product will only achieve marketing authorisation after undergoing stringent pre-clinical research and clinical trials to ensure that such products satisfy criteria for safety, quality and efficacy.

Regulation 167 of the HMR provides an exemption from the prohibition on the sale or supply of medicinal products without marketing authorisation. Exempt products are required to meet the following specific conditions as well as meet the requirements specified in Regulation 167(2) to (8) of the HMR:

- the medical product must be supplied in response to an unsolicited order;
- the medical product must be manufactured and assembled in accordance with the specification of a person who is a doctor, dentist, nurse independent prescriber, pharmacist independent prescriber or supplementary prescriber; and
- the medical product must be intended for use by a patient for whose treatment that person is directly responsible in order to fulfil the special needs of that patient.

As cannabis-based products for medicinal use (CBPM - a defined category of cannabis, cannabis resin, cannabinol and cannabinol derivatives listed in Schedule 2 to the MDR 2001) may only be prescribed to meet the "special needs" of an individual patient, an unlicensed CBPM should not be prescribed in circumstances where a licenced medical product is capable of meeting the needs of the patient.

Pursuant to Regulation 16A of MDR 2001, specialist doctors can prescribe CBPMs without requiring a Home Office licence to lawfully write a prescription. A "specialist doctor" means a doctor included in the register of specialist doctors maintained by the General Medical Council (GMC) Specialist Register in accordance with section 34D Medical Act 1983. The GMC guidance states that a specialist doctor should only make a decision to prescribe within their own area of practice and training and the decision to prescribe should be taken by a multidisciplinary team.

A Home Office licence is also required to import or export-controlled drugs to and from the U.K. The Corporation does not currently have a Home Office licence. As the Corporation is selling CBD products as food supplements, not as a product with medicinal benefits, a Home Office licence is not required. In addition, as the Corporation's main CBD oils, capsules, creams and gummies do not contain THC, their products would not fall under the category of being a "controlled drug" and therefore no Home Office licence is required.

If necessary, the Corporation will be able to sell the unlicensed medicinal cannabis products in accordance with the Regulation 167 exemption provided that the parties undertaking the manufacture, distribution, importation and production of those unlicensed medicinal cannabis products hold all relevant authorisations and consents. In particular, the unlicensed medicinal cannabis products must be manufactured in accordance with European Union Good Manufacturing Practices standards and must be clearly packaged and labelled to confirm that such products are unlicensed, and no marketing authorisation has been granted.

The range of uses for unlicensed medicinal cannabis products in the U.K. is therefore relatively narrow in scope.

The FSA consumer advice on CBD

On October 12, 2023, the FSA and Food Standards Scotland issued new precautionary advice on CBD, recommending that healthy adults should limit their consumption of CBD from food to10mg per day, which is about 4-5 drops of 5% CBD oil. [3] This change in advice is based on new evidence from the industry and updated advice from the FSA's independent scientific committee.[4]

The position paper concludes that "the *provisional acceptable daily intake (ADI) of 0.15 mg/kg bw/day (10 mg CBD/day for a 70kg adult) will act as a basis for risk assessments of novel food products containing Pure Form CBD as an ingredient. Dependent upon the nature of the food type, further considerations and information on bioavailability of CBD in humans in different food matrices may also need to be factored into product specific risk assessments".*

The FSA consumer advice states that s ome food products currently on the market contain more than 10mg of CBD per serving and that the FSA will work with industry to agree a way forward on these products. The FSA is releasing updated consumer advice "*to allow the public to make informed decisions about their intake of products containing CBD*".

Whilst the FSA has not provided a timeline for the completion of authorizations, the FSA's precautionary consumer advice will likely impact the assessment process and therefore the date for completion. The Board notes the updated FSA consumer advice and that this could also have a Material Adverse Effect.

Safety assessment: Synthetic Cannabidiol (CBD) as a novel food for use in food supplements

The Board notes that on 30 April 2024, the FSA granted its first positive safety assessment to a synthetic CBD product intended for use as a novel food supplement, to the company Pureis® for its Ultra-Pure CBD product.

The Board also notes the executive summary published by the FSA and the Safety Assessment. [5]

[3] Food Standards Agency and Food Standards Scotland update consumer advice for CBD | Food Standards Agency.
[4] Joint position paper from ACNFP & COT on establishing provisional ADI for pure form CBD in foods | Advisory Committee on Novel Foods and Processes
[5] Safety Assessment: Synthetic Cannabidiol (CBD) as a novel food for use in food supplements

RISK FACTORS

The Corporation is subject to a number of risks. A non-exhaustive list of certain specific and general risks that Management is aware of and believe to be material to, and could affect, the business, results of operations, prospects and financial condition of the Corporation (the "**Non-Exhaustive List of Risk Factors**") is attached as Schedule "A" to this Annual Information Form. When reviewing forward-looking statements and other information contained in this Annual Information Form, readers should carefully consider the Non-Exhaustive List of Risk Factors, as well as other uncertainties, potential events and industry and company-specific factors that may have a Material Adverse Effect on the Corporation.

The Non-Exhaustive List of Risk Factors are not a definitive list of all risk factors associated with an investment in High Tide or in connection with the Business. Additional risks and uncertainties not presently known to Management or that Management does not currently anticipate will be material may impair the Business operations and its operating results, and as a result could materially impact the Business, results of operations, prospects and financial condition of the Corporation. Further, the Corporation operates in a regulated and rapidly changing environment. New risk factors emerge from time to time and it is not possible for Management to predict all risk factors or the impact of such factors on the Business. Except as required by Applicable Securities Laws, the Corporation does not intend, and does not assume any obligation, to update or revise the Non-Exhaustive List of Risk Factors or other information contained in this Annual Information Form.

DIVIDENDS AND DISTRIBUTIONS

To date, the Corporation has not declared or paid any cash dividends on any of its issued securities. Other than requirements imposed under applicable corporate Law, there are no other restrictions on the ability of the Corporation to pay dividends under the articles and other constating documents of the Corporation.

As at the AIF Date, the Corporation does not have any intention of paying dividends in the foreseeable future. Any determination to pay any future dividends in any of the Corporation's issued securities will remain at the discretion of the respective Board and will be made based an assessment of various factors, including, the Corporation's earnings, financial requirements and other conditions deemed relevant by the respective Board.

DESCRIPTION OF CAPITAL STRUCTURE

High Tide's authorized share capital consists of an unlimited number of Common Shares without par value. As at the Fiscal Year-End Date, there were 80,787,017 Common Shares issued and outstanding, and as at the AIF Date, there were 80,896,105.

Common Shares

Holders of Common Shares are entitled to one vote for each Common Share held at all meetings of the shareholders of High Tide, to receive dividends if, as and when declared by the Board at its discretion from funds legally available for the payment of dividends, and, upon the liquidation, dissolution or winding up of High Tide, to participate rateably in any distribution of the remaining property or assets of High Tide, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares of High Tide ranking senior in priority to, or on a *pro rata* basis with, the holders of Common Shares with respect to dividends or liquidation.

The Common Shares do not carry any pre-emptive rights, conversion or exchange rights, or redemption, retraction, repurchase rights, nor do they contain any sinking fund or purchase fund provisions. There are no provisions requiring a holder of Common Shares to contribute additional capital, and there are no restrictions on the issuance of additional Common Shares by High Tide.

Options

As at the AIF Date, High Tide has an aggregate of 2,652,954 unexercised Options issued and outstanding. The following table describes the material terms of the issued and outstanding Options:

Date Issued	Number of Underlying Common Shares	Exercise Price	Expiry Date
February 10, 2022	13,538	$6.25	February 10, 2025
April 22, 2022	19,084	$4.96	April 22, 2025

June 2, 2022	120,000	$3.33	June 1, 2025
July 26, 2022	3,000	$1.85	July 26, 2025
November 21, 2022	15,000	$2.40	November 21, 2025
November 29, 2022	6,250	$2.47	November 29, 2025
January 11, 2023	25,000	$2.01	January 11, 2026
February 15, 2023	189,625	$1.86	February 15, 2026
March 17, 2023	32,500	$1.53	March 17, 2026
September 29, 2023	2,012,957	$2.75	September 29, 2026
May 1, 2024	20,000	$3.16	May 1, 2027
July 31, 2024	136,000	$2.52	July 31, 2027
Sept 19, 2024	60,000	$2.89	Sept 19, 2027

RSUs

As at the AIF Date, High Tide has an aggregate of 687,747 RSUs issued and outstanding under the Omnibus Plan.

Warrants and Secured Debentures

In addition to the Awards issued under the Omnibus Plan, the Corporation issues Warrants and Secured Debentures.

Warrants

As at the AIF Date, High Tide has an aggregate of 4,849,560 unexercised Warrants issued and outstanding. The following table describes the material terms of the issued and outstanding Warrants:

Date Issued	Number of Underlying Common Shares	Exercise Price	Expiry Date
July 22, 2022	4,849,560	$2.73	July 22, 2027

Secured Debenture

The following table describes the material terms of the issued and outstanding Secured Debentures:

Date Issued	Aggregate Principal Amount of Secured Debentures	Expiry Date
July 31, 2024	$10,000,000	July 31, 2027
Nov 13, 2024	$5,000,000	July 31, 2027

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed on the TSXV under the trading symbol “HITI”. The Common Shares are currently also listed and posted for trading on the FSE, under the symbol “2LYA”, and on the Nasdaq, under the symbol “HITI”.

Effective February 25, 2021, certain warrants of the Corporation began trading on the TSXV under the symbols “HITI.WR” and were subsequently delisted on February 22, 2024.

The following tables sets forth information relating to the trading of the Common Shares on the TSXV and Nasdaq for the months indicated:

TSXV

Month	High	Low	Trading Volume
January 2025[(1)]	$5.00	$4.01	1,227,987
December 2024	$5.08	$4.13	2,491,668
November 2024	$4.60	$3.51	3,614,648
October 2024	$4.30	$2.81	3,176,601
September 2024	$3.19	$2.57	1,722,973
August 2024	$2.90	$2.30	1,031,205
July 2024	$3.03	$2.50	1,556,677
June 2024	$3.75	$2.95	1,875,821
May 2024	$3.50	$2.85	3,270,813
April 2024	$3.83	$2.61	6,031,079
March 2024	$3.05	$2.12	2,372,353
February 2024	$2.62	$2.28	1,378,906
January 2024	$2.65	$2.15	1,950,295
December 2023	$2.33	$1.98	1,173,588
November 2023	$2.11	$1.56	1,920,442

Note:
(1) From January 1, 2025 to January 28, 2025.

NASDAQ

Month	High	Low	Trading Volume
January 2025[(1)]	$3.47	$2.78	10,951,623
December 2024	$3.62	$2.87	15,524,268
November 2024	$3.30	$2.47	18,280,616
October 2024	$3.12	$2.07	17,433,834
September 2024	$2.36	$1.92	10,858,354
August 2024	$2.13	$1.57	9,131,238
July 2024	$2.24	$1.81	9,052,918
June 2024	$2.72	$2.15	11,565,097
May 2024	$2.59	$2.06	14,423,316
April 2024	$2.85	$1.92	25,182,004
March 2024	$2.27	$1.58	8,647,905
February 2024	$1.93	$1.68	5,421,355
January 2024	$1.99	$1.62	6,282,518
December 2023	$1.73	$1.46	3,595,712
November 2023	$1.55	$1.14	4,826,148

Note:
(1) From January 1, 2025 to January 28, 2025.

Warrants
The following table sets forth, for the periods indicated, the reported high and low daily trading prices and the aggregate volume of trading of the HITI.WR on the TSXV:

Month	High	Low	Trading Volume
February 2024(1)	$0.005	$0.005	5,500
January 2024	$0.005	$0.005	3,000
December 2023	nil	nil	nil

Note:
(1) From February 1, 2024 to February 22, 2024, when they were delisted.

Prior Sales

During the financial year ended the Fiscal Year-End Date and up to the AIF Date, High Tide issued the following securities, which are convertible into Common Shares but are not listed or quoted on a marketplace:

Options

Date Issued	Number	Number of Common Shares Issuable Upon Exercise	Exercise Price (per Common Share)
May 1, 2024	20,000	20,000	$3.16
July 31, 2024	154,000	154,000	$2.52
September 19, 2024	60,000	60,000	$2.89

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

As of at the Fiscal Year-End Date, there were no securities of High Tide that were, to the knowledge of High Tide, subject to escrow or subject to a contractual restriction on transfer.

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets out certain information with respect to the directors and officers of High Tide. Each director of High Tide is elected to hold office until the next annual meeting of the shareholders of High Tide or until their successor is duly elected or appointed:

Name, and Province, and Country of Residence	Position	Principal Occupation(s) for Past Five Years[(1)]	Director or Officer Since

Harkirat (Raj) Grover (Alberta, Canada)	*Director, President and Chief Executive Officer*	Mr. Grover is the founder of High Tide, and has served as the President, Chief Executive Officer, and the Executive Chairman of the Board since the incorporation of High Tide in February 2018. Since 2009, Mr. Grover has served as a director and officer of Valiant Canada, Canna Cabana, KushBar and Smoker's Corner, each of which are wholly owned Subsidiaries.	Feb 8, 2018
Mayank Mahajan (Alberta, Canada)	*Chief Financial Officer*	Mr. Mahajan brings an exceptional range of expertise from a career in financial services, technology, manufacturing, trading and leasing that spans more than 15 years post-qualification. Before joining High Tide, Mayank worked with Everyday People Financial Corp, Metamaterial Inc., Jubilant Bhartiya Group (Canada, India and USA), Genpact, and S.P. Nagrath & Co. Mr. Mahajan is a registered Chartered Professional Accountant in Canada, Certified Public Accountant in the United States and a Chartered Accountant in India. Mayank also holds a Master of Business Administration (MBA) from Gonzaga University in Washington, USA, and a Bachelor of Commerce from Chaudhury Charan Singh University in India.	May 1, 2024
Aman Sood (Alberta, Canada)	*Chief Operating Officer*	Mr. Sood is a seasoned leader with over two decades of experience in retail sector project management, operations, technology, and cost optimization. He joined High Tide in March of 2021 as High Tide's Chief Operating Officer and immediately began leading a major strategic shift to transform High Tide's information and technology systems to support High Tide as a global company. Previously he was the Director of Operations with Meta Growth leading the building and management of 25 New Leaf Cannabis retail locations. Mr. Sood holds a master's degree in business administration, as well as post-graduate education in computer applications, merchandising, and cannabis. Mr. Sood has several certifications including cyber security specialization in business and a master's certificate in cannabis.	Mar 15, 2021

Andy Palalas (Alberta, Canada)	*Chief Marketing Officer*	Mr. Palalas served as the Chief Revenue Officer of High Tide since May 2018, and in November 2023, his title changed to Chief Marketing Officer to better reflect his position in the Corporation. From July 2016 to August 2019, Mr. Palalas was the Director of Sales at Famous Brandz Inc. He is responsible for developing distribution channels, sourcing new market opportunities and overseeing the revenue portfolio of High Tide. Mr. Palalas is a business growth and sales professional with a decade of experience in implementing sales programs for established corporations and start-ups alike. With extensive experience in the loyalty marketing sector, a track record of explosive growth in franchise sales and operations, and a holistic mastery of ground-level business development through to overarching marketing strategy.	Nov 20, 2018
Nitin Kaushal[(2)(4)] (Ontario, Canada)	*Director*	Mr. Kaushal has served as a member of the Board since October 2018. Mr. Kaushal is the President of Anik Capital Corp. and has over 35 years of experience in the financial services industry. He is retired from PricewaterhouseCoopers LLP (Canada), where he was a Managing Director in their Corporate Finance Practice.	Oct 16, 2018
Arthur Kwan[(2)(3)(4)] (Alberta, Canada)	*Director*	Mr. Kwan is the President and Chief Executive Officer of The Newly Institute, an interdisciplinary mental health clinical company. Previously, he was the President and Chief Executive Officer of CannaIncome Fund, Seven Leaf Ventures, and was an investment banker with Scotia Capital, PI Financial, and Paradigm Capital. Mr. Kwan brings over 20 years of investment banking, capital markets, and leadership experience.	Aug 24, 2018
Christian Sinclair(2)(3) (4) (Manitoba, Canada)	*Director*	Mr. Sinclair is a proud member of the Opaskwayak Cree Nation (OCN). He graduated from Margaret Barbour Collegiate Institute in 1988 and subsequently went on to serve in the Canadian military from 1988 to 1995, participating in tours of duty in Cyprus (1990 Recon) and Somalia (1992-93 Special Forces). In 2003, Mr. Sinclair was named as one of Canada's Top 40 under 40. He was the co-founder of the Manitoba Indigenous Summer Games and the General Manager for the 2002 North American Indigenous Games in Winnipeg. In 2016, Mr. Sinclair was elected as Onekanew (Chief) for the OCN. Since then, he has been appointed as one of the co-chairs of a task force created to lead the process of implementing the Government of Manitoba's Northern Economic Development Strategy and is presently working as an economic development consultant for First Nations major resource projects.	Nov 18, 2020

Andrea Elliott(2)(3) (Ontario, Canada)	*Director*	Ms. Elliott is the Executive Vice President, Direct to Consumer at Moose Knuckles Canada – a successful global Canadian luxury outerwear brand. Previously, Ms. Elliott founded r2 retail resources, an independent consultancy that supported domestic and international retailers with strategic initiatives, growth plans, e-commerce ideation and SG&A improvements. Ms. Elliott was also previously Vice President and General Manager of PVH Canada Retail (Calvin Klein, Van Heusen, IZOD & Bass), an Executive Vice President at PricewaterhouseCoopers LLP (Canada) and Chief Operating Officer with Karabus Management – a wholly-owned Subsidiary of PricewaterhouseCoopers LLP (Canada) focused on the retail industry.	Jan 4, 2021
Joy Avzar (Ontario, Canada)	*Senior Vice President, Legal & Compliance*	From October 2018 to November 2020, Ms. Avzar acted as the Vice President and Legal Counsel to Meta Growth. Prior to joining Meta Growth, Ms. Avzar occupied the role of the Director, Real Estate and Corporate Services and Director, Legal at Royal & Sun Alliance Insurance Corporation of Canada. Ms. Avzar began her legal career at the law firm of Fogler, Rubinoff LLP.	Nov 18, 2020
Omar Khan (Ontario, Canada)	*Chief Corporate and Public Affairs Officer*	Prior to his role with High Tide, Mr. Khan held the positions of Vice President and National Cannabis Sector Lead at Hill + Knowlton Strategies, from November 2016 until December 2020. Prior to that, Mr. Khan served as Chief of Staff to the Province of Ontario's Minister of Health and Long-Term Care, from July 2014 until October 2016.	Jan 11, 2021
Sandy Sharma (Alberta, Canada)	*Vice President, Human Resources*	Sandy Sharma is the heart of the High Tide community, responsible for curating and developing the talented leaders that proudly represent our brands. With over 15 years of experience managing human capital across Oil & Gas, Banking, the Canadian Armed Forces, and Health Services, Sandy has built her profession around enabling leadership within a stable, team-focused corporate culture.	Nov 7, 2022

Notes:

1. Information with respect to the principal occupation, business or employment is not within the knowledge of High Tide and has been furnished by the respective director or officer.
2. Member of the Nominating and Corporate Governance Committee.
3. Member of the Compensation Committee.
4. Member of the Audit Committee.

As at the AIF Date, based on High Tide's review of insider reports filed with SEDI and from information furnished by each director and officer of High Tide, the directors and officers of High Tide, as a group, beneficially owned, directly or indirectly, and exercised control or direction over approximately 6,622,938 Common Shares, representing approximately 8.2% of the issued and outstanding Common Shares as at the AIF Date.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Cease Trade Orders

Other than as described below, no director or executive officer of High Tide is, as at the AIF Date, or has been within 10 years before the AIF Date, a director, chief executive officer or chief financial officer of any company (including High Tide), that:

a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

b) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that Person was acting in the capacity as director, chief executive officer or chief financial officer.

Nitin Kaushal, a director of High Tide, was a director of 3 Sixty on July 15, 2020, on which date the Ontario Securities Commission issued a failure-to-file cease trade order ("**FFCTO**") against 3 Sixty, ordering that, subject to a limited exception specified in the failure-to-file cease trade order, all trading in the securities of 3 Sixty cease until the company filed (i) its audited annual financial statements for the financial year ended December 31, 2019, (ii) its management's discussion and analysis for the financial year ended December 31, 2019, and (iii) the certification of the foregoing filings as required by Applicable Securities Laws (the foregoing, collectively, the "**Outstanding 3 Sixty Filings**"). On October 8, 2020, the Ontario Securities Commission issued an order (the "**3 Sixty Partial Revocation Order**") partially revoking its failure-to-file cease trade order, solely to permit trades in securities of 3 Sixty that are necessary for and are in connection with a private placement to be undertaken by 3 Sixty for aggregate gross proceeds of up to $6,750,000 and in order to raise the funds necessary to complete and file the Outstanding 3 Sixty Filings and fund certain expenses outlined in the 3 Sixty Partial Revocation Order. The FFCTO was lifted subsequent to Mr. Kaushal's resignation from the board in April 2021.

Mr. Kaushal served as a director of Flower One Holdings Inc. ("Flower One") from December 28, 2020 to March 31, 2023. On October 17, 2022, Flower One announced that it had commenced a voluntary proceeding under the Companies Creditors Arrangement Act in the Supreme Court of British Columbia to go private. A monitor was appointed on October 25, 2022. Flower One went private and Mr. Kaushal resigned from the board on March 31, 2023.

Bankruptcies

No director or executive officer of High Tide, nor a shareholder holding a sufficient number of securities of High Tide to affect materially the control of High Tide:

a) is, as at the AIF Date, or has been within the 10 years before the AIF Date, a director or executive officer of any company (including High Tide) that, while that Person was acting in that capacity, or within a year of that Person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

b) has, within the 10 years before the AIF Date, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Penalties or Sanctions

No director or executive officer of High Tide, nor a shareholder of High Tide holding a sufficient number of securities of High Tide to affect materially the control of High Tide, has been subject to:

a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

High Tide's directors and officers may serve as directors or officers, or may be associated with, other reporting companies, or have significant shareholdings in other public companies. To the extent that such other companies may participate in business or asset acquisitions, dispositions, or ventures in which the Corporation may participate, the directors and officers of High Tide may have a conflict of interest in negotiating and concluding terms respecting the transaction. High Tide's directors and officers may, from time to time, also be engaged in certain outside business interests that do not materially or adversely interfere with their duties to the Corporation. In some cases, High Tide's directors and officers may have fiduciary obligations associated with such outside business interests, that could interfere with their ability to devote time to the Business and affairs and that could adversely affect the Corporation's operations. Further, such outside business interests could require significant time and attention of High Tide's directors and officers.

In addition, the Corporation may also become involved in other transactions which conflict with the interests of High Tide`s directors and officers who, may from time to time deal with persons, firms, institutions or companies with which the Corporation may be dealing, or which may be seeking investments similar to those desired by it. The interests of these persons could conflict with those of the Corporation. In addition, from time to time, these persons may be competing with the Corporation for available investment opportunities.

Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable Laws. In particular, in the event that such a conflict of interest arises at a meeting of High Tide's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable Laws, the directors of High Tide are required to act honestly, in good faith and in the best interests of High Tide.

PROMOTERS

Except as disclosed below, no Person has, during the two most recently completed financial years of High Tide ended October 31, 2024 and 2023 or during the current financial year of High Tide, been a promoter of High Tide.

Mr. Harkirat (Raj) Grover, the President, Chief Executive Officer, and a director of High Tide, took the initiative of founding and organizing High Tide and its business and operations, including the business and operations of certain of its Subsidiaries. As at the AIF Date, Mr. Grover continues to be responsible for, among other things, identifying new business opportunities for the Corporation. Accordingly, Mr. Grover may be considered a promoter of High Tide within the meaning of Applicable Securities Laws.

As at the AIF Date, Mr. Grover beneficially owns, controls, and directs (i) an aggregate of 5,236,983 Common Shares (representing approximately 6.5% of the issued and outstanding Common Shares as at the AIF Date), and (ii) an aggregate of 900,000 Options, with 450,000 Options exercisable at an exercise price of $2.75, expiring on September 29, 2026.

During the financial year of High Tide ended the Fiscal Year-End Date, Mr. Grover received an annual salary from High Tide in the amount of $750,000 pursuant to the terms of his executive employment agreement with High Tide. In addition, High Tide leases an office and a warehouse in Calgary, Alberta that is owned by Grover Properties Inc., a company that is controlled by Mr. Grover. The lease was established by an independent real estate valuations services company at prevailing market rates and has annual lease payments totaling $386,000 per annum. The primary lease term is 5 years with one additional 5-year term extension exercisable at the option of High Tide.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

There are no legal proceedings where the amount involved, exclusive of interest and costs, exceeded ten per cent of the current assets of the Corporation nor are there any material regulatory actions to which the Corporation is or was a party to, or to which any of its

respective property is or was the subject of, during the financial year ended October 31, 2024, and to the knowledge of High Tide, no such proceedings are contemplated. From time to time, however, the Corporation may become subject to various claims and legal actions arising in the ordinary course of the Business.

Regulatory Actions

There were no penalties or sanctions imposed against the Corporation by a court relating to securities legislation, or by a securities regulatory authority, during the financial year ended the Fiscal Year-End Date, and to the knowledge of High Tide, no such penalties or sanctions are contemplated. Further, there are no penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor in making an investment decision.

The Corporation did not enter into any settlement agreement before a court relating to securities legislation, or with a securities regulatory authority, during the financial year ended the Fiscal Year-End Date.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Annual Information Form, High Tide is not aware of any material interest, direct or indirect, of (i) any Person that beneficially owns, or exercises control or direction over, directly or indirectly, more than ten percent of the voting rights attached to the Common Shares, (ii) any director or officer of the Corporation, or (iii) any associate or affiliate of any of the foregoing, in any transaction which has been entered into within the three most recently completed financial years, or during the current financial year, that has materially affected or is reasonably expected to materially affect the Corporation.

TRANSFER AGENTS AND REGISTRARS

The transfer agent and registrar for the securities of the Corporation is Olympia Trust Company at its principal offices in Calgary, Alberta.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, there were no contracts entered into by the Corporation during the 12-month period ended the Fiscal Year-End Date which are material, or entered into before the 12-month period ended the Fiscal Year-End Date, but are still in effect and which are required to be filed with Canadian securities regulators in accordance with Section 12.2 of National Instrument 51-102 – *Continuous Disclosure Obligations,* other than the following contracts:

- the 2023 Equity Distribution Agreement;
- the July 2022 Underwriting Agreement;
- the July 2022 Warrant Indenture;
- the September 2022 Credit Facility; and
- Debenture Facility Trust Indenture.

Copies of the above-listed material contracts are available for inspection at the offices of High Tide's legal counsel, Garfinkle Biderman LLP, 1 Adelaide Street East, Suite 801, Toronto, ON M5C 2V9, at any time during ordinary business hours. Copies of the above-listed material contracts are also available under High Tide's profile on SEDAR+ at www.sedarplus.ca.

INTERESTS OF EXPERTS

The following are the persons or companies who were named as having prepared or certified a statement, report or valuation in this Annual Information Form, either directly, or in a document incorporated by reference and whose profession or business gives authority to the statement, report or valuation made by the Person:

The current auditors of the Corporation are Ernst & Young LLP, who audited the Annual Financial Statements, have advised that they are independent with respect to the Corporation within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

AUDIT COMMITTEE

Audit Committee Charter

High Tide has adopted the Audit Committee Charter, which sets out, among other things, the composition of the Audit Committee, as well as its responsibilities, duties, principles and procedures. A copy of the Audit Committee Charter is attached as Schedule "C" to this Annual Information Form.

Composition of the Audit Committee

The Audit Committee is comprised of the following members:

Name	Independence [1]	Financial Literacy [2]
Nitin Kaushal (Chair)	Independent	Financially literate
Arthur Kwan	Independent	Financially literate
Christian Sinclair	Independent	Financially literate

Notes:
(1) Within the meaning of subsection 1.4 of NI 52-110.
(2) Within the meaning of subsection 1.6 of NI 52-110.

Relevant Education and Experience

All members of the Audit Committee have the education or practical experience required to understand and evaluate financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by High Tide's financial statements.

The following is a summary of the relevant education and experience of the current members of the Audit Committee:

- Nitin Kaushal, CPA, CA – Mr. Kaushal is the President of Anik Capital Corp. and has over 35 years of experience in the financial services industry. He retired from PricewaterhouseCoopers LLP (Canada), where he was a Managing Director in their Corporate Finance Practice. He has worked in a number of senior roles with a number of Canadian investment banks including Desjardins Securities Inc., Orion Securities Inc, Vengate Capital, HSBC Securities Inc., and Gordon Capital in the venture capital industry with MDS Capital Corp. Mr. Kaushal sits on a number of public and private company boards and has a BSc from the University of Toronto and is a Chartered Professional Accountant.
- Arthur Kwan, CFA, ICD.D – Mr. Kwan is the President and Chief Executive Officer of The Newly Institute, an interdisciplinary mental health clinical company. Previously, he was the President and Chief Executive Officer of CannaIncome Fund and was an investment banker with Scotia Capital, PI Financial, and Paradigm Capital, where he was Managing Director, Investment Banking. Mr. Kwan brings over 20 years of investment banking, capital markets, and leadership experience. He holds the CFA designation from the CFA Institute and has completed the Audit Committee Effectiveness course from the Institute of Corporate Directors.
- Christian Sinclair – Mr. Sinclair is a proud member of the OCN. He graduated from Margaret Barbour Collegiate Institute in 1988 and subsequently went on to serve in the Canadian military from 1988 to 1995, participating in tours of duty in Cyprus (1990 Recon) and Somalia (1992-93 Special Forces). In 2003, Mr. Sinclair was named as one of Canada's Top 40 under 40.
  He was the co-founder of the Manitoba Indigenous Summer Games and the General Manager for the 2002 North American Indigenous Games in Winnipeg. In 2016, Mr. Sinclair was elected as Onekanew (Chief) for the OCN. Since then, he has been appointed as one of the co-chairs of a task force created to lead the process of implementing the Government of

Manitoba's Northern Economic Development Strategy and is presently working as an economic development consultant for First Nations major resource projects.

External Auditor Service Fees

The aggregate fees billed by High Tide's external auditors during the financial years ended October 31, 2024 and 2023 are as follows:

	Fiscal Year ended October 31, 2024	**Fiscal Year ended October 31, 2023**
Audit Fees[(1)]	$1,843,000	$1,999,250
Audit-related Fees[(2)]	Nil	Nil
Tax Fees[(3)]	Nil	Nil
All Other Fees[(4)]	$215,000	Nil
Total	$2,058,000	$1,999,250

Notes:

(1) "Audit fees" include aggregate fees billed by the Corporation's external auditor in each of the last two fiscal years for audit fees.

(2) "Audited related fees" include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Corporation's external auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not reported under "Audit fees" above. The services provided include NI 52-109 engagements, employee benefit audits, due diligence related to mergers and acquisitions, non-attest internal control reviews, attest services that are not required by statute or regulation, specified procedures, special audits for grants, statutory audit fees (if the services provided relate to entities outside the scope of the consolidated audit), and translation fees related to documents other than financial statements.

(3) "Tax fees" include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Corporation's external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All other fees" include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Corporation's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available under High Tide's profile on SEDAR+ at www.sedarplus.ca.

Additional information concerning the Corporation, including the remuneration and indebtedness, of the directors and officers of High Tide, the principal holders of High Tide's securities, and the securities authorized for issuance under High Tide's equity compensation plans, is contained in the 2024 Information Circular, which is incorporated by reference herein, and are available under High Tide's profile on SEDAR+ at www.sedarplus.ca.

Additional financial information concerning the Corporation, including the Annual Financial Statements and related management's discussion and analysis for the financial year ended October 31, 2024, can be found on High Tide's profile on SEDAR+ at www.sedarplus.ca.

The statement of executive compensation of the Corporation for the year ended October 31, 2024 is attached hereto as Schedule "B".

SCHEDULE "A"
NON-EXHAUSTIVE LIST OF RISK FACTORS

Capitalized terms used in this Schedule "A" and defined in the annual information form to which this Schedule "A" is attached have the meanings defined in the Annual Information Form unless otherwise defined herein.

Cash Flow from Operations

As at the Fiscal Year-End Date, the Corporation's cash and net working capital balances were approximately $47,267,000 and $24,309,000, respectively. Although the Corporation anticipates it will have positive cash flow from operating activities in future periods, to the extent that the Corporation has negative cash flow in any future period, certain of the net proceeds from future offerings may be used to fund such negative cash flow from operating. If the Corporation experiences future negative cash flow, the Corporation may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that the Corporation will be able to generate positive cash flow from its operations, that additional capital or other types of financing will be available when needed, or that these financings will be on terms favourable to the Corporation. In addition, the Corporation expects to achieve positive cash flow from operating activities in future periods. However, this is based on certain assumptions and subject to significant risks.

Regulatory Compliance Risks

Achievement of the Business objectives is subject to compliance with regulatory requirements enacted and enforced by Governmental Entities and obtaining and maintaining all required regulatory approvals. The Corporation may incur costs and obligations related to regulatory compliance. Failure to comply with applicable Laws, regulations and permitting, license or approval requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. The Corporation may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable Laws or regulations.

The Corporation cannot predict the timeline required to secure all appropriate regulatory approvals or licenses for the intended Business or the extent of testing and documentation that may be required by Governmental Entities. Any delays in obtaining, or failing to obtain, required regulatory approvals or licenses may significantly delay or impact the research and development activities and could have a Material Adverse Effect. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Corporation's operations, increased compliance costs or give rise to material liabilities, which could have a Material Adverse Effect.

The impact of the various legislative regimes, on the Business plans and operations is uncertain. There is no guarantee that the applicable legislation regulating the Business will create or allow for the growth opportunities the Corporation currently anticipates.

Due to the nature of the Corporation's operations, various legal and tax matters may be outstanding from time to time. If the Corporation is unable to resolve any of these matters favorably, there may be a Material Adverse Effect.

Changes in Laws and Regulations

The Corporation is subject to a variety of applicable Laws, including but not limited to, those relating to the marketing, acquisition, manufacturing, management, transportation, storage, sale, packaging and labeling, and disposal of cannabis and cannabis products. The Corporation is also subject to applicable Laws relating to health and safety, the conduct of operations, taxation of products and the protection of the environment. As applicable Laws pertaining to the cannabis industry are relatively new, it is possible that significant legislative amendments may still be enacted – either provincially or federally – that address current or future regulatory issues or perceived inadequacies in the regulatory framework. Changes to applicable Laws could have a Material Adverse Effect.

The legislative framework pertaining to the Canadian adult-use cannabis market is subject to significant provincial and territorial regulation. The legal framework varies across provinces and territories and results in asymmetric regulatory and market environments. Different competitive pressures, additional compliance requirements, and other costs may also limit the Corporation's ability to participate in such market.

Environmental, Health and Safety Laws

The Corporation is subject to environmental, health and safety laws and regulations in each jurisdiction in which the Corporation operates. Such regulations govern, among other things, emissions of pollutants into the air, wastewater discharges, waste disposal, the investigation and remediation of soil and groundwater contamination, and the health and safety of the Corporation's employees. For example, the Corporation's products and the raw materials used in its production processes are subject to numerous environmental laws and regulations. The Corporation may be required to obtain environmental permits from Governmental Entities for certain of its current or proposed operations. The Corporation may not have been, nor may it be able to be at all times, in full compliance with such laws, regulations and permits. If the Corporation violates or fails to comply with these laws, regulations or permits, the Corporation could be fined or otherwise sanctioned by regulators.

As with other companies engaged in similar activities or that own or operate real property, the Corporation faces inherent risks of environmental liability at its current and historical production sites. Certain environmental laws impose strict and, in certain circumstances, joint and several liability on current or previous owners or operators of real property for the cost of the investigation, removal or remediation of hazardous substances as well as liability for related damages to natural resources. In addition, the Corporation may discover new facts or conditions that may change its expectations or be faced with changes in environmental laws or their enforcement that would increase its liabilities.

The Corporation's costs of complying with current and future environmental and health and safety laws, liabilities arising from past or future releases of, or exposure to, regulated materials, or more vigorous enforcement of environmental and employee health and safety laws, may have a Material Adverse Effect.

Risks Associated with Numerous Laws and Regulations

The production, labeling and distribution of the products that the Corporation distributes are regulated by various federal, state and local agencies. These Governmental Entities may commence regulatory or legal proceedings, which could restrict the permissible scope of the Corporation's product claims or the ability to sell its products in the future. The FDA regulates the Corporation's products to ensure that the products are not adulterated or misbranded.

The Corporation is subject to regulation by various agencies as a result of the manufacture and sale of its Hemp-derived products. The shifting compliance environment and the need to build and maintain robust systems to comply with different regulations in multiple jurisdictions increases the possibility that the Corporation may violate one or more of the requirements. If the Corporation's operations are found to be in violation of any of such laws or any other governmental regulations, or perceived to be in violation, the Corporation may be subject to penalties or other negative effects, including, without limitation, civil and criminal penalties, damages, fines, the curtailment or restructuring of the Corporation's operations or asset seizures and the denial of regulatory applications (including those regulatory regimes outside of the scope of FDA jurisdiction, but which may rely on the positions of the FDA in the application of its regulatory regime), any of which could adversely affect the Business and financial results. In addition, the FDA is expected to make determinations as to how certain CBD products will be regulated and is expected to, in the long term, consider modernization in its regulation of dietary supplements generally.

Failure to comply with FDA requirements may result in, among other things, injunctions, product withdrawals, recalls, product seizures, fines and criminal prosecutions. The Corporation's advertising is subject to regulation by the FTC under the FTCA as well as subject to regulation by the FDA under the DSHEA. In recent years, the FTC has initiated numerous investigations of dietary and nutritional supplement products and companies based on allegedly deceptive or misleading claims. On December 17, 2020, the FTC announced the first law enforcement proceedings against companies making deceptive claims related to CBD products. The six companies targeted entered into settlement agreements with the FTC and five of the companies paid a fine to the FTC. At any point, enforcement strategies of a given agency can change as a result of other litigation in the space or changes in political landscapes, and could result in increased enforcement efforts, which would materially impact the Business. Additionally, some states also permit advertising and labeling laws to be enforced by state attorney generals, who may seek relief for consumers, class action certifications, class wide damages and product recalls of products sold by the Corporation. Private litigants may also seek relief for consumers, class action certifications, class wide damages and product recalls of products sold by the Corporation. Any actions against the Corporation by Governmental Entities or private litigants could have a Material Adverse Effect.

Compliance with Changes in Legal, Regulatory and Industry Standards May Adversely Affect the Business

The formulation, manufacturing, packaging, labelling, handling, distribution, importation, exportation, licensing, sale and storage of the Corporation's products are affected by extensive Laws, governmental regulations, administrative determinations, court decisions and similar constraints. Such laws, regulations and other constraints may exist at the federal, state or local levels. There is currently no

uniform regulation applicable to natural health products worldwide. There can be no assurance that the Corporation is in compliance with all of these Laws, regulations and other constraints, and changes to such Laws, regulations and other constraints may have a Material Adverse Effect.

Incorrect Interpretation of the 2018 Farm Bill

The Corporation's position is that the 2018 Farm Bill permanently removed Hemp from the USDA and is now deemed an agricultural commodity, and accordingly the DEA no longer has any claim to interfere with the interstate commerce of Hemp-derived products, so long as the THC level is at or below 0.3% on a dry weight basis and the Hemp and its derivatives were grown and processed by a person holding a license issued by either (i) USDA or a (ii) in a state with a USDA-approved Hemp plan, the applicable state agency. There is a risk that the Corporation's interpretation of the legislation is inaccurate or that it will be successfully challenged by federal or state authorities. A successful challenge to such position by a state or federal authority could have a Material Adverse Effect, including civil and criminal penalties, damages, fines, the curtailment or restructuring of the Corporation's operations or asset seizures and the denial of regulatory applications.

The Market for Hemp-derived Products is Tightly Regulated

Hemp-derived product businesses operate in a tight, and fast-moving, regulatory environment. As such, the Corporation relies on Management's continuing assessment of the regulatory requirements of the products and jurisdictions in which the Corporation operates and its ability to comply with these regulatory requirements. Should there be unexpected changes to the regulations in a specific existing or targeted jurisdiction, or even delays to anticipated changes to the current regulations, this could have a material impact on the Corporation's future growth prospects. The Board is aware of this risk and seeks to mitigate it by keeping well informed of the regulatory environment in the relevant jurisdictions, will seek to diversify the current business in terms of product and jurisdiction and will ensure that they continue to meet the regulatory requirements in the jurisdictions in which they operate.

The Market for Hemp-derived Products is Relatively New

The Hemp-derived product industry is in its infancy. Companies will compete with established competitors who may have more resources or a more recognizable brand presence in the market. The Corporation's success will depend upon the Board's ability to manage the Business and to identify and take advantage of further opportunities which may arise. While the Board believes that they have the experience and connections to ensure that the Business is able to compete with established rivals and take advantage of market opportunities they have identified, there is no guarantee that they will be able to do so.

FDA Interpretation of IND Preclusion

The FDA has taken the position that CBD cannot be added to food or marketed as a dietary supplement because it has been the subject of investigation as a new drug (i.e., IND Preclusion). According to the FDA, the submission of the IND application for Epidiolex by Greenwich Biosciences, the U.S. subsidiary of London-based GW Pharmaceuticals, preceded the sales and marketing of CBD as a dietary supplement. It is the FDA's interpretation of the IND Preclusion that the preclusion date is the date in which it authorized the drug for investigation. If the FDA were to enforce the IND Preclusion based on its interpretation of the legislation, this would have a Material Adverse Effect.

FDA Enforcement Letters

The FDA continues to enforce against violations of the FDCA by issuing warning letters to companies marketing and selling Hemp-derived products, including CBD products and Delta-8 products. Over the past several years, the FDA has issued warning letters to companies marketing and selling unapproved Hemp-derived product, primarily to companies selling CBD products. The letters reiterate the agency's position that CBD cannot be added to food and dietary supplements and targeted companies whose products violated the FDCA's prohibition against: i) marketing CBD as or in a dietary supplement, human and animal food, or food additives; ii) marketing a dietary supplement, human and animal food, or cosmetic with disease or drug claims (i.e., claims suggesting that a product is intended to treat, cure, or prevent disease); iii) including a substance in human or animal food when that substance is not generally recognized as safe; and iv) selling products that are misbranded due to their failure to include "adequate directions for use by a layperson". The FDA also issued a consumer update reaffirming its position that CBD cannot lawfully be added to a food or marketed as a dietary supplement due to existing provisions of the FDCA and outlines the data and potential safety issues it is considering as part of its ongoing evaluation of potential regulatory frameworks for CBD. Notably, the FDA states that it could not conclude based on available data that CBD is "generally recognized as safe" for use in human or animal food. While this is broad and may not be applicable in all instances, it nevertheless could materially and adversely impact the Business. Further, the FDA has

recently stated that it will continue to police the market and enforce against CBD products, and on March 22, 2021, the agency issued warning letters to two companies for selling over-the-counter products labeled as containing CBD, alleging the products are illegally marketed unapproved drugs and misbranded due to prominent featuring of CBD on the labeling. The FDA's enforcement against the unlawful sale and marketing of CBD products has to date been limited to the issuance of warning letters, but they have a number of other enforcements means available to them, including civil and criminal penalties. The FDA's current prohibition on certain Hemp-derived products and the unknowns and associated risks of potential future regulations governing Hemp-derived products create risk for the Business.

Of note, on May 4, 2022, the FDA for the first time sent similar warning letters to five companies selling Delta-8 products. In those letters, the FDA asserted that Delta-8 products claiming to diagnose, cure, mitigate, treat, or prevent diseases are considered unapproved new drugs. Among other statements, these warning letters, as well as their accompanying press release, noted Delta-8's "psychoactive and intoxicating effects" and that FDA is "very concerned about the growing popularity of delta-8 THC products."

FTC Enforcement

FTC and FDA often coordinate enforcement efforts where the agencies have overlapping jurisdiction, including with respect to the advertising, labeling, and promotion of food, cosmetics, medical devices, and over-the-counter drugs. In the CBD product marketplace, FTC has joined FDA in the issuance of a number of warning letters to companies warning that the companies' advertisements were not supported by competent and reliable scientific evidence and thus violate the FTCA, 15 U.S.C. § 41 et. Seq. FTC has also issued independent warning letters to companies selling CBD products. These warning letters allege the companies make exaggerate or false and misleading claims about their CBD products without rigorous scientific evidence to substantiate the claims. While historically, FTC enforcement actions related to CBD have been limited to warning letters, the FTC recently (December 2020) initiated its first law enforcement administrative action against six companies selling CBD products. These companies were considered in violation of the FTC for allegedly making unsupported health claims. FTC entered into settlement agreements with these companies, which required, among other things, that the companies stop making such unsupported health claims and pay a monetary judgment to the FTC. The FTC's enforcement was publicized by the agency as part of its ongoing effort to protect consumers from false, deceptive, and misleading health claims made in advertisements on websites and through social media companies such as Twitter. The unknowns and associated risks of potential future FTC enforcement actions create risk for the Business.

DEA Interpretation of Synthetically Derived Cannabinoid Products, Delta-8, and Delta-9 Products That May Elicit Psychoactive Effects

Through the DEA IFR, the DEA takes the position that material that exceeds 0.3% THC remains controlled in Schedule I of the U.S. CSA. It also takes the position that the 2018 Farm Bill does not impact the control status of synthetically derived THCs, for which the DEA claims that the amount of THC is not a determining factor in whether the material is a controlled substance. The DEA IFR may create risk for the Business. Enforcement of the DEA IFR, or any Final Rule that carries forward the rulemaking in the DEA Rule, may result in, among other things, injunctions, product withdrawals, recalls, product seizures, fines, and criminal prosecutions. Additionally, enforcement of the DEA IFR could jeopardize the legality of the Corporation's synthetically derived cannabinoid products. As synthetically is not a clearly defined term, any cannabinoid, such as Hemp-based cannabigerol or Delta-8, could be interpreted by the DEA to be an unlawful controlled substance.

In addition, DEA could consider the Corporation's Delta-8 products illegal controlled substance under U.S. federal law.

Finally, the Corporation sells in certain states products containing more than 5 mg of Delta-9 THC per serving and as much as 450 mg of Delta-9 THC per container, but less than 0.3% THC on a "dry weight basis," and which may elicit psychoactive effects in consumers in the same manner as Delta-9 THC derived from cannabis. The DEA may also consider such products illegal controlled substances under U.S. federal law.

The unknowns of DEA's interpretation of "synthetically derived," and position with respect to Delta-8 products and Delta-9 products that may elicit psychoactive effects, create risk for the Business.

DEA Interpretation and Enforcement of the DEA IFR

Through the DEA's IFR, the DEA takes the position that material that exceeds 0.3% THC remains controlled in Schedule I of the U.S. CSA. It also takes the position that the 2018 Farm Bill does not impact the control status of synthetically derived THCs, for which the DEA claims that the amount of THC is not a determining factor in whether the material is a controlled substance. The DEA IFR may create risk for the Business. Enforcement of the DEA IFR, or any Final Rule that carries forward the rulemaking in the DEA Rule,

may result in, among other things, injunctions, product withdrawals, recalls, product seizures, fines, and criminal prosecutions. Additionally, enforcement of the DEA IFR could jeopardize the legality of the Corporation's synthetically derived products. As synthetically is not a clearly defined term, any cannabinoid, such as Delta-8, could be interpreted by the DEA to be an unlawful controlled substance. The unknowns of DEA's interpretation of "synthetically derived" create risk for the Business.

Regulatory Uncertainty Regarding the Sale of Cannabis Seeds

The Corporation sold cannabis seeds to customers throughout the U.S. On January 6, 2022, DEA stated in a letter that "marijuana seed that has as delta-9-tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis meet the definition of "hemp" and thus is not controlled under the CSA." Because this letter is non-binding guidance, there is risk that federal regulators or law enforcement could take the position that this letter is not authoritative and that these seeds are Schedule I controlled substances in violation of the U.S. CSA. There is also a risk that state regulators or law enforcement may view these seeds as controlled substances under State-controlled substance laws. In addition, there is risk that the seeds may contain more than 0.3% Delta-9 THC. The sale of seeds in the U.S. is governed by a number of federal and state laws and the failure to comply with these laws, including obtaining any necessary regulations, licenses, or permits may have a Material Adverse Effect on the Business, financial condition and results of operations. Possession, distribution, sale, or trafficking of any Schedule I controlled substance is subject to substantial criminal penalties.

Risks Relating to Suppliers

Cannabis retailers are dependent on the supply of cannabis products from Licensed Producers. There can be no assurance that there will be a sufficient supply of cannabis available to the Corporation to purchase and to operate the Business or satisfy demand. Licensed Producers' growing operations are dependent on a number of key inputs and their related costs, including raw materials and supplies. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact Licensed Producers and, in turn, could have a Material Adverse Effect. Any inability of Licensed Producers to secure required supplies and services or to do so on appropriate terms could also have a Material Adverse Effect. The facilities of the Licensed Producers could be subject to adverse changes or developments, including but not limited to a breach of security, which could have a Material Adverse Effect. Any breach of the security measures and other facility requirements, including any failure to comply with recommendations or requirements arising from inspections by Health Canada or other legal or regulatory requirements could also have an impact on the ability of Licensed Producers supplying the Corporation to continue operating under their Authorizations or the prospect of renewing their Authorizations or on the ability or willingness of the Corporation to sell product sourced from one or more Licensed Producers, which could have a Material Adverse Effect.

In addition to the foregoing, one or more of the risk factors contemplated in this Annual Information Form may also directly apply to, and impact, the business, operations and financial condition of the Licensed Producers supplying the Corporation, resulting in such Licensed Producers to experience operational slowdowns or other barriers to operations (including as a result of protective measures associated with COVID-19) which may affect the ability of the Corporation to obtain and sell product sourced from such Licensed Producers. In turn, such events could have an indirect Material Adverse Effect.

Third Party Relationships

From time to time, the Corporation may enter into strategic alliances with third parties that the Corporation believes will complement or augment the Business or will have a beneficial impact on the Corporation. Strategic alliances with third parties could present unforeseen integration obstacles or costs, may not enhance the Business, and may involve risks that could adversely affect the Corporation, including the risk that significant amounts of Management's time may be diverted from operations in order to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the Corporation incurring additional debt, costs and contingent liabilities, and there can be no assurance that future strategic alliances will achieve, or that the Corporation's existing strategic alliances will continue to achieve, the expected benefits to the Business or that the Corporation will be able to consummate future strategic alliances on satisfactory terms, or at all. Any of the foregoing could have a Material Adverse Effect.

Reliance on Established Cannabis Retail Stores

The Retail Store Authorizations held by the Corporation are specific to individual cannabis retail stores. Any adverse changes or disruptions to the functionality, security and operation of the Corporation's sites or any other form of non-compliance may place the Retail Store Authorizations held by the Corporation at risk, and have a Material Adverse Effect. As the Business continues to grow, any expansion to or update of the current operating cannabis retail stores of the Corporation, or the introduction of new cannabis retail

stores, will require the approval of the applicable cannabis regulatory authority. There can be no guarantee that the applicable cannabis regulatory authority will approve any such expansions or renovations, which could have a Material Adverse Effect.

Failure or Significant Delays in Obtaining Regulatory Approvals

The ability of the Corporation to achieve its business objectives are contingent, in part, upon compliance with the regulatory requirements enacted by applicable Governmental Entities, including those imposed by applicable cannabis and Hemp regulatory authorities, and obtaining and maintaining all Authorizations, where necessary. The Corporation cannot predict the time required to secure all appropriate Authorizations for the product offerings of the Corporation in place from time to time, or the extent of testing and documentation that may be required by Governmental Entities. The impact of regulatory compliance regimes and any delays in obtaining, or failure to obtain, the required Authorizations may significantly delay or impact the development of the Corporation and Business. Non-compliance could also have a Material Adverse Effect.

The impact of the various legislative regimes, on the Business plans and operations is uncertain. There is no guarantee that the applicable legislation regulating the Business activities will create or allow for the growth opportunities the Corporation currently anticipates.

Due to the nature of the Corporation's operations, various legal and tax matters may be outstanding from time to time. If the Corporation is unable to resolve any of these matters favorably, there may be a Material Adverse Effect.

United States Public Company Compliance Efforts

As a public company in the United States, the Corporation will incur additional legal, accounting, reporting and other expenses that it did not incur as a public company in Canada. The additional demands associated with being a U.S. public company may disrupt regular operations of the Business by diverting the attention of some of its senior Management team away from revenue- producing activities to additional Management and administrative oversight, adversely affecting its ability to attract and complete business opportunities and increasing the difficulty in both retaining professionals and managing and growing the Business. Any of these effects could harm the Business, results of operations and financial condition.

If its efforts to comply with new United States laws, regulations and standards differ from the activities intended by regulatory or governing bodies, such regulatory bodies or third parties may initiate legal proceedings against the Corporation and the Business may be adversely affected. As a public company in the United States, it is more expensive for the Corporation to obtain director and officer liability insurance, and it will be required to accept reduced coverage or incur substantially higher costs to continue our coverage. These factors could also make it more difficult for the Corporation to attract and retain qualified directors.

The U.S. Sarbanes-Oxley Act of 2002 (SOX) requires that the Corporation maintain effective disclosure controls and procedures and internal control over financial reporting. In the event that the Corporation is not able to demonstrate compliance with SOX, that its internal control over financial reporting is perceived as inadequate, or that it is unable to produce timely or accurate financial statements, investors may lose confidence in its operating results and the price of the Common Shares may decline. In addition, if the Corporation is unable to continue to meet these requirements, it may not be able to remain listed on Nasdaq.

Following a transition period permitted for a newly public company in the United States, the Corporation's independent registered public accounting firm will be required to attest to the effectiveness of our internal control over financial reporting. Even if Management concludes that our internal controls over financial reporting are effective, its independent registered public accounting firm may issue a report that is qualified if it is not satisfied with the Corporation's controls or the level at which its controls are documented, designed, operated or reviewed, or if it interprets the relevant requirements differently than the Corporation does.

U.S. Federal Paraphernalia Law

Under U.S. Code Title 21 Section 863, the term "drug paraphernalia" means "any equipment, product or material of any kind which is primarily intended or designed for use in manufacturing, compounding, converting, concealing, producing, processing, preparing, injecting, ingesting, inhaling, or otherwise introducing into the human body a controlled substance." That law exempts "(1) any person authorized by local, State, or Federal law to manufacture, possess, or distribute such items" and "(2) any item that, in the normal lawful course of business, is imported, exported, transported, or sold through the mail or by any other means, and traditionally intended for use with tobacco products, including any pipe, paper, or accessory." Any non-exempt drug paraphernalia offered or sold by any person in violation of the Federal Paraphernalia Law can be subject to seizure and forfeiture upon the conviction of such person for such violation, and a convicted person can be subject to fines under the Federal Paraphernalia Law and even imprisonment. Any

actions against the Corporation by Governmental Entities related to the Federal Paraphernalia Laws could have a Material Adverse Effect.

U.S. "Foreign Private Issuer" Status

The Corporation is a "foreign private issuer", as such term is defined in Rule 405 under the U.S. Securities Act, and is permitted, under a multijurisdictional disclosure system adopted by the United States and Canada, to prepare its disclosure documents filed under the Exchange Act in accordance with Canadian disclosure requirements. Under the Exchange Act, the Corporation is subject to reporting obligations that, in certain respects, are less detailed and less frequent than those of U.S. domestic reporting companies. As a result, the Corporation will not file the same reports that a U.S. domestic issuer would file with the SEC, although it will be required to file or furnish to the SEC the continuous disclosure documents that it is required to file in Canada under Applicable Securities Laws. In addition, the Corporation's officers, directors, and principal shareholders are exempt from the reporting and "short swing" profit recovery provisions of Section 16 of the Exchange Act. Therefore, its shareholders may not know on as timely a basis when the Corporation's officers, directors and principal shareholders purchase or sell shares, as the reporting deadlines under the corresponding Canadian insider reporting requirements are longer.

As a foreign private issuer, the Corporation is exempt from the rules and regulations under the Exchange Act related to the furnishing a content of proxy statements. The Corporation is also exempt from Regulation FD, which prohibits issuers from making selective disclosures of material non-public information. While the Corporation expects to comply with the corresponding requirements relating to proxy statements and disclosure of material non-public information under Applicable Securities Laws, these requirements differ from those under the Exchange Act and Regulation FD and shareholders should not expect to receive in every case the same information at the same time as such information is provided by U.S. domestic companies.

In addition, as a foreign private issuer, the Corporation has the option to follow certain Canadian corporate governance practices, except to the extent that such laws would be contrary to U.S. securities laws, and provided that it discloses the requirements it is not following and describe the Canadian practices it follows instead. The Corporation plans to rely on this exemption. As a result, the Corporation's shareholders may not have the same protections afforded to shareholders of U.S. domestic companies that are subject to all U.S. corporate governance requirements.

Regulatory or Agency Proceedings, Investigations and Audits

The Business requires compliance with many Laws. Failure to comply with these Laws could subject the Corporation to regulatory or agency proceedings or investigations and could also lead to damage awards, fines and penalties. The Corporation may become involved in a number of government or agency proceedings, investigations and audits. The outcome of any regulatory or agency proceedings, investigations, audits and other contingencies could harm the Corporation's reputation, require the Corporation to take, or refrain from taking, actions that could harm its operations or require the Corporation to pay substantial amounts of money, harming its financial condition. There can be no assurance that any pending or future regulatory or agency proceedings, investigations and audits will not result in substantial costs or a diversion of Management's attention and resources or have a Material Adverse Effect.

Product Recalls

Manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of the Corporation's products are recalled due to an alleged product defect or for any other reason, the Corporation could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. The Corporation may lose a significant number of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant Management attention. Recall of products could lead to adverse publicity, decreased demand for the Corporation's products and could have significant reputational and brand damage. Although the Corporation has detailed procedures in place for testing its products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. A recall for any of the foregoing reasons could lead to decreased demand for the Corporation's products and could have a Material Adverse Effect. Additionally, product recalls may lead to increased scrutiny of the Corporation's operations by regulatory agencies, requiring further Management attention and potential legal fees and other expenses.

Product Liability

The Corporation's Hemp-derived products are sold directly to end consumers, and therefore there is an inherent risk of exposure to product liability claims, regulatory action and litigation if the products are alleged to have caused loss or injury. In addition, the manufacture and sale of cannabis and cannabis products involve the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of cannabis and cannabis products alone or in combination with other medications or substances could also occur. The Corporation may be subject to various product liability claims, including that the products they sell caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances.

A product liability claim or regulatory action against the Corporation could result in increased costs to the Corporation, could adversely affect the reputation of the Corporation with its clients and consumers generally and could have a Material Adverse Effect. There can be no assurance that the Corporation or its suppliers will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of the products of the Corporation. The Corporation holds directors' & officers' insurance and general liability insurance.

Sales of Products Containing Delta-8 Could have a Material Adverse Effect

The Corporation sold in certain states in the United States of products containing cannabinoids, including Delta-8 and Delta-9, extracted from cannabis plants that meet the definition of "hemp" under the Agriculture Improvement Act of 2018. The legality of Delta-8 derived from Hemp is uncertain and varies from state to state, with some states banning the sale of products containing Delta-

8. The Corporation does not sell into any states where the sale of Delta-8 is prohibited at the state level. At the federal level in the United States, the legality of Delta-8 remains unclear. The DEA has issued a statement that some have interpreted as making Hemp-derived Delta-8 illegal, while it has issued other statements that some interpret to the contrary. As a result, there is a risk that the DEA could consider the Corporation's Delta-8 products an illegal controlled substance under the CSA or Federal Analogue Act in the United States.

The 2018 Farm Bill was signed into law on December 20, 2018. The 2018 Farm Bill removed Hemp from the CSA and established a federal regulatory framework for Hemp production in the United States. Among other provisions, the 2018 Farm Bill explicitly amends the CSA to exclude all parts of the cannabis plant (including its cannabinoids, derivatives, and extracts) containing a Delta-9 THC concentration of not more than 0.3% on a dry weight basis from the CSA's definition of "marijuana," and defines such parts of the cannabis plant as "hemp." Marijuana, Delta-9 derived from marijuana, and any Hemp-derived products containing more than 0.3% Delta-9 THC concentration on a dry weight basis continue to be classified as a Schedule I substance under the CSA. Possession, distribution, sale, or trafficking of any Schedule I controlled substance is subject to substantial criminal penalties.

Should the Corporation become subject to enforcement action by federal or state agencies, the Corporation could: (i) be forced to stop offering some or all of it Delta-8 products or stop all business operations, (ii) be subject to other civil or criminal sanctions, (iii) be required to defend against such enforcement and if unsuccessful could cause the Corporation to cease its operations, which could have a Material Adverse Effect. Further enforcement or regulatory action at the United States federal or state level could adversely impact the listings of the Common Shares on the TSXV and Nasdaq.

The Sale of Hemp-Derived High THC Products is Not Lawful in All 50 States, and Such Products Could have a Material Adverse Effect and May Elicit Psychoactive Effects

The Corporation sells certain Hemp-derived Delta-9 THC products which contain more than four-hundred fifty (450) milligrams of THC but less than 0.3% Delta-9 THC on a "dry weight basis" ("**High THC Products**"). The Corporation does not sell into any states where the sale of High THC Products is a violation of state controlled substance laws. The High THC Products may elicit psychoactive effects in consumers in the same manner as Delta-9 THC derived from cannabis. The Corporation believes these products meet the definition of "hemp" under the CSA, as amended by the 2018 Farm Bill, but federal agencies may disagree with that interpretation. Some states have limited the amount of Delta-9 THC per serving or per container that may be lawfully sold in state. In addition, the processing of Delta-9 products also may temporarily create in-process Hemp extracts with Delta-9 concentrations that exceed 0.3% by dry weight volume during the interim processing phases. There is risk that state or federal regulators or law enforcement could take the position that these products or this in-process Hemp extract are/is a Schedule I controlled substance in violation of the CSA and similar state laws. There also is risk that the Corporation's Delta-9 products could be considered by state law enforcement and state regulators to be marijuana illegal under state laws criminalizing the possession, distribution, trafficking and sale of marijuana.

Although the Corporation's High THC Products are derived from cannabis plants that meet the definition of "hemp" under the *Agriculture Improvement Act of 2018* – i.e., such plants contain less than 0.3% THC on a "dry weight basis" – the legality of the Corporation's High THC Products is uncertain at the federal level in the United States, and unlawful or uncertain at the state level in many states in the United States. For example, many states have banned the sale of High THC Products, or only allow these products to be sold through regulated adult-use dispensaries. Other states expressly permit High THC Products. At the federal level, the legality of High THC Products remains unclear, including, without limitation, under the CSA, Federal Analogue Act, and FDCA. As a result, there is a risk that state agencies and federal agencies (including, without limitation, the DEA and FDA) could consider the Corporation's High THC Products illegal. Possession, distribution, sale, or trafficking of any Schedule I controlled substance is subject to substantial criminal penalties and could have a Material Adverse Effect.

In addition, the Corporation's High THC Products may elicit psychoactive effects in consumers in the same manner as Delta-9 THC derived from "marihuana." Should the Corporation become subject to any enforcement action by any federal or state agencies, the Corporation could be: (i) forced to stop offering some or all of its High THC Products, or (ii) subject to civil or criminal sanctions or other enforcement actions. Any of the foregoing could have a Material Adverse Effect. In addition, any enforcement action at the federal or state level could adversely impact the Corporation's listings on the TSXV and Nasdaq.

NDI Objection by FDA

There is substantial uncertainty and different interpretations among state and federal regulatory agencies, legislators, academics and businesses as to whether CBDs were present in the food supply and marketed prior to October 15, 1994, or whether such inclusion of CBDs is otherwise approved by the FDA as dietary ingredients. Under DSHEA dietary ingredients marketed in the U.S. prior to October 15, 1994, may be used in dietary supplements without notifying the FDA. "New" dietary ingredients (i.e., dietary ingredients "not marketed in the United States before October 15, 1994") must be the subject of a new dietary ingredient notification submitted to the FDA unless the ingredient has been "present in the food supply as an article used for food" and is not "chemically altered." Any new dietary ingredient notification must provide the FDA with evidence of a "history of use or other evidence of safety" establishing that use of the dietary ingredient "will reasonably be expected to be safe." There is substantial uncertainty and different interpretations as to whether CBDs are by definition an impermissible adulterant due to cannabis being a controlled substance under the CSA. The uncertainties cannot be resolved without further federal legislation, regulation or a definitive judicial interpretation of existing legislation and rules. A determination that Hemp products containing CBDs were not present in the food supply, marketed prior to October 15, 1994, are not otherwise permissible for use as a dietary ingredient or are adulterants would have a Material Adverse Effect. The Corporation could be required to submit an NDI notification to the FDA with respect to Hemp extracts. If FDA objects to the Corporation's NDI notification, this would have a Material Adverse Effect.

Public Company Consequences

The Corporation's status as a reporting issuer may increase price volatility due to various factors, including the ability to buy or sell its Common Shares, different market conditions in different capital markets and different trading volumes. In addition, low trading volume may increase the price volatility of the Common Shares. The increased price volatility could have a Material Adverse Effect.

In addition, as a reporting issuer, the Corporation and the Business activities will be subject to the reporting requirements of Applicable Securities Laws, and the listing requirements of the TSXV, Nasdaq and such other stock exchanges on which its Common Shares may from time to time be listed. Compliance with such rules and regulations will increase the Corporation's legal and financial costs making some activities more difficult, time consuming or costly and increase demand on its systems and **resources.**

Market for Securities

There is currently no market through which the securities of the Corporation (other than the Common Shares and a limited number of Warrants) may be sold. This may affect the pricing of the securities of the Corporation in the secondary market, the transparency and availability of trading prices, the liquidity of such securities and the extent of issuer regulation. There can be no assurance that an active trading market of securities of the Corporation, other than the Common Shares, will develop or, if developed, that any such market will be sustained. There is no guarantee that an active trading market for the Common Shares will be maintained on the TSXV and Nasdaq. Investors may not be able to sell their Common Shares quickly, at all, or at the latest market price if trading in the securities is not active.

Market Price of Securities

Securities markets have a high level of price and volume volatility, and the market price of securities of many companies have experienced substantial volatility in the past, and recently, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors included macroeconomic developments in North America and globally, and market perceptions of the attractiveness of particular industries. The price of the Corporation's securities (including the Common Shares) is also likely to be affected by the Corporation's financial condition or results of operations as reflected in its financial statements. Other factors unrelated to the performance of the Corporation that may have an effect on the price of the Corporation's securities include, but are not limited to, the following: the extent of analytical coverage available to investors concerning the Business may be limited if investment banks with research capabilities do not follow the Corporation's securities, lessening in trading volume and general market interest in the Corporation's securities may affect an investor's ability to trade significant numbers of the Corporation's securities, and a substantial decline in the price of the Corporation's securities that persists for a significant period of time could cause the Corporation's securities, if listed on an exchange, to be delisted from such exchange, further reducing market liquidity. As a result of any of these factors, the market price of the Corporation's securities at any given point in time may not accurately reflect the long-term value of the Corporation. Class action litigation often has been brought against companies following periods of volatility in the market price of their securities. The Corporation may in the future be the target of similar litigation. Securities litigation could result in substantial costs and damages and divert Management's attention and resources.

The Corporation is Dependent Upon a Limited Number of Key Suppliers

In the event that their suppliers are unable or unwilling to manufacture the Corporation's products then this may cause disruption to the Corporation's operations. To mitigate this risk the Corporation has established relationships with a number of additional suppliers, however, switching production to these suppliers may cause delays which will impact the Corporation's revenues and therefore its financial position may be negatively affected.

Conflicts of Interest

The Corporation may, from time to time, be subject to various potential conflicts of interest due to the fact that some of its officers, directors and consultants may be engaged in a range of outside business activities. The executive officers, directors and consultants of the Corporation may devote time to their outside business interests, so long as such activities do not materially or adversely interfere with their duties to the Corporation. In some cases, the executive officers, directors and consultants of the Corporation may have fiduciary obligations associated with these outside business interests that interfere with their ability to devote time to the Business and that could have a Material Adverse Effect. These outside business interests could also require significant time and attention of the Corporation's executive officers, directors and consultants.

In addition, the Corporation may also become involved in other transactions which conflict with the interests of its directors, officers and consultants who may from time to time deal with persons, firms, institutions or companies with which the Corporation may be dealing, or which may be seeking investments similar to those desired by the Corporation. The interests of these persons could conflict with those of the Corporation. Further, from time to time, these persons may also be competing with the Corporation for available investment opportunities.

Conflicts of interest, if any, will be subject to the procedures and remedies provided under applicable Laws. In particular, in the event that such a conflict of interest arises at a meeting of the Board, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. In accordance with applicable Laws, the directors of the Corporation are required to act honestly, in good faith and in the best interests of the Corporation.

Product Viability

If the Hemp products the Corporation sells are not perceived to have the effects intended by the end user, the Business may suffer. Many of the Corporation's products contain innovative ingredients or combinations of ingredients. There is little long-term data with respect to efficacy, unknown side effects or interaction with individual human biochemistry. Moreover, there is little long-term data with respect to efficacy, unknown side effects or its interaction with individual animal biochemistry. As a result, the Corporation's products could have certain side effects if not taken as directed or if taken by an end user that has certain known or unknown medical conditions.

Fraudulent or Illegal Activity

The Corporation is exposed to the risk that its employees, independent contractors, consultants, service providers and licensors may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional undertakings of unauthorized

activities, or reckless or negligent undertakings of authorized activities, in each case on the Corporation's behalf or in their services that violate (a) various applicable Laws, including healthcare Laws, (b) applicable Laws that require the true, complete and accurate reporting of financial information or data, or (c) the terms of the Corporation's agreements with third parties. Such misconduct could expose the Corporation to, among other things, class actions and other litigation, increased regulatory inspections and related sanctions, and lost sales and revenue or reputational damage.

The Corporation cannot always identify and prevent misconduct by its employees and other third parties, including third party service providers, and the precautions taken by the Corporation to detect and prevent this activity may not be effective in controlling unknown, unanticipated or unmanaged risks or losses or in protecting it from governmental investigations or other actions or lawsuits stemming from such misconduct. If any such actions are instituted against the Corporation, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on the Business, including the imposition of civil, criminal or administrative penalties, damages, monetary fines and contractual damages, reputational harm, diminished profits and future earnings or curtailment of its operations.

Internal Controls

Effective internal controls are necessary for the Corporation to provide reliable financial reports and to help prevent fraud. Although the Corporation has, and will continue to develop and implement, a number of procedures and safeguards in order to help ensure the reliability of its financial reports, including those imposed on the Corporation under applicable Laws, in each case the Corporation cannot be certain that such measures will ensure that the Corporation maintains adequate control over financial processes and reporting. Any failure to implement required, new, or improved controls, or difficulties encountered in their implementation, could have a Material Adverse Effect or cause the Corporation to fail to meet its reporting obligations under applicable Laws. Further, in the event that the Corporation or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the Corporation's consolidated financial statements and could have a Material Adverse Effect.

Success of Quality Control Systems

The quality and safety of the Corporation's products are critical to the success of the Business and operations. As such, it is imperative that the Corporation's (and its service provider's) quality control systems operate effectively and successfully. Quality control systems can be negatively impacted by the design of the quality control systems, the quality training program, and adherence by employees to quality control guidelines. Any significant failure or deterioration of such quality control systems could have a Material Adverse Effect.

Banking

Since the production and possession of cannabis is currently illegal under U.S. federal law and the Corporation relies on exemptions promulgated pursuant to the 2014 and the 2018 Farm Bills, it is possible that banks may refuse to open bank accounts for the deposit of funds from businesses involved with the cannabis industry. The inability to open bank accounts with certain institutions could have a Material Adverse Effect.

On December 3, 2019, the Federal Reserve Board, Federal Deposit Insurance Corporation, Financial Crimes Enforcement Network, and Office of the Comptroller of the Currency in consultation with the Conference of State Bank Supervisors, issued a statement to provide clarity regarding the legal status of commercial growth and production of Hemp and relevant requirements for banks under the Bank Secrecy Act. The statement emphasized that banks were no longer required to file suspicious activity reports for customers solely because they are engaged in the growth or cultivation of Hemp in accordance with applicable Laws and regulations. Regulatory uncertainty in respect of the laws, rules, regulations and directives facing banks which provide services to CBD and cannabis industry participants, if revised or resolved unfavorably to the Corporation's interest, may have a Material Adverse **Effect.**

General Economic Risks

The operations of the Corporation could be affected by the economic context should interest rates, inflation or the unemployment level reach levels that influence consumer trends and spending and, consequently, impact the sales and profitability of the Corporation. Investors should further consider, among other factors, the prospects for success, of the Corporation, in light of the risks and uncertainties encountered by companies that, like the Corporation, are in their early stages. The Corporation may not be able to effectively or successfully address such risks and uncertainties or successfully implement operating strategies to mitigate the impact of such risks and uncertainties. In the event that the Corporation fails to do so, such failure could materially harm the Business and could result in a Material Adverse Effect.

Management of Growth

To manage growth effectively and continue the sale and distribution of cannabis and cannabis products at the same pace as currently undertaken, or at all, the Corporation will need to continue to implement and improve its operational and financial systems and to expand, train and manage its larger employee base. The ability of the Corporation to manage growth effectively may be affected by a number of factors, including, among other things, non-performance by third party contractors and suppliers, increases in materials or labour costs, and labour disputes. The inability of the Corporation to manage or deal with growth could have a Material Adverse Effect.

Additional Capital

The continued development of the Business may require additional financing, and any failure to raise such capital could result in the delay or indefinite postponement of the current and future business strategy of the Corporation, or result in the Corporation ceasing to carry on business. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be available on favorable terms. If additional funds are raised through issuances of equity or convertible debt securities, existing shareholders of the Corporation could suffer significant dilution, and any new equity securities issued could have rights, preferences, and privileges superior to those of the Common Shares. The failure to raise or procure such additional funds or the failure to achieve positive cash flow could result in the delay or indefinite postponement of current business objectives.

In addition, from time to time, the Corporation may enter into transactions to acquire assets or the shares of other companies. These transactions may be financed wholly or partially with debt, which may increase the debt levels of the Corporation above industry standards and impact the ability of the Corporation to service such debt. Any debt financing obtained in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which could make it more difficult for the Corporation to obtain additional capital and pursue business opportunities, including potential acquisitions. Debt financings may contain provisions, which, if breached, entitle lenders to accelerate repayment of debt and there is no assurance that the Corporation would be able to repay such debt in such an event or prevent the enforcement of security, if any, granted pursuant to such debt financing.

Sales of a Significant Number of Securities

The Corporation cannot predict the size of future issuances of debt or equity securities or the effect, if any, that such future issuances will have on the market price of the Corporation's securities. Sales of a substantial number of securities in the public markets by the Corporation or its significant securityholders, or the perception that such sales could occur, could depress the market price of the Corporation's securities and impair its ability to raise capital through the sale of additional securities. The Corporation cannot predict the effect that future sales of securities would have on the market price of the securities. The price of the securities could be affected by possible sales of the securities by hedging or arbitrage trading activity which the Corporation expects to occur involving its securities. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in our earnings per security.

Inability to Develop New Products or Find Market

The cannabis industry is in its early stages of development and it is likely that the Corporation, and existing and future competitors, will seek to introduce new products in the future. In attempting to keep pace with any new market developments, the Corporation may need to expend significant amounts of capital in order to successfully develop and generate revenues from new products introduced by the Corporation. In addition, the Corporation may be required to obtain additional regulatory approvals from applicable cannabis and Hemp regulatory authorities and any other applicable regulatory authorities, which may take significant amounts of time and entail significant costs. On October 17, 2019, new regulations under the Cannabis Act came into force, permitting the production and sale of cannabis edibles, extracts, and topicals. The impact of these regulatory changes on the Business is unknown. The Corporation may not be successful in developing effective and safe new products, bringing such products to market in time to be effectively commercialized, or obtaining any required regulatory approvals, which, together with any capital expenditures made in the course of such product development and regulatory approval processes, could have a Material Adverse Effect.

Product Obsolescence

The cannabis market and associated products and technology are rapidly evolving, both domestically and internationally. As a result, the Corporation may be unable to anticipate or respond to developments in a timely and cost-efficient manner. The process of

developing new products is complex and requires significant costs, development efforts, and third-party commitments. Any failure on the part of the Corporation to develop new products and technologies or the potential disuse of the existing products of the Corporation and technologies could have a Material Adverse Effect. The success of the Corporation will depend, in part, on the ability of the Corporation to continually invest in research and development and enhance existing technologies and products in a competitive manner. However, there can be no guarantee that the Corporation will be able to invest in research and development and enhance existing technologies and products in a competitive and timely manner, and any failure to do so could have a Material Adverse Effect

Restrictions on Branding and Advertising

The success of the Corporation depends on the ability of the Corporation to attract and retain customers. applicable Laws strictly regulate the way cannabis is packaged, labelled, and displayed. The associated provisions are quite broad and are subject to change. As at AIF Date, applicable Laws prohibit the use of testimonials and endorsements, depiction of people, characters and animals and the use of packaging that may be appealing to young people. Existing and future restrictions on the packaging, labelling, and the display of cannabis and cannabis products may adversely impact the ability of the Corporation to establish brand presence, acquire new customers, retain existing customers and maintain a loyal customer base. This could ultimately have a Material Adverse Effect.

Unfavorable Publicity or Consumer Perception

The success of the cannabis industry may be significantly influenced by the public's perception of cannabis. In general, cannabis continues to be a controversial topic, and there is no guarantee that future scientific research, publicity, regulations, medical opinion, and public opinion relating to cannabis will be favorable. Consumer perception of the products of the Corporation may, from time to time, be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of cannabis and cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the cannabis market or any particular product, or consistent with earlier publicity. Future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity that are perceived as less favorable than, or that question, earlier research reports, findings or publicity could have a Material Adverse Effect, including by affecting the demand for the Corporation's products and Business. In particular, adverse scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity, whether or not accurate or with merit, could have a Material Adverse Effect, and could affect the demand for the products of the Corporation. Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of cannabis in general, or the products of the Corporation specifically, or associating the consumption of cannabis with illness or other negative effects or events, could have a Material Adverse Effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products legally, appropriately, or as directed.

Lastly, the parties with which the Corporation does business from time to time may perceive that they are exposed to reputational risk as a result of the Business, which could make it difficult for the Corporation to establish or maintain banks and other business relationships. Any failure to establish or maintain such business relationships could have a Material Adverse Effect.

Acquisitions or Dispositions

Since its inception, the Corporation has completed a number of significant acquisitions. Material acquisitions, dispositions, and other strategic transactions involve a number of risks, including (a) the risk that there could be a potential disruption of the Business, (b) the risk that the anticipated benefits and cost savings of those transactions may not be realized fully, or at all, or may take longer to realize than expected (including the risk that perceived synergies associated with such transactions may not eventuate or are less pronounced than originally expected), (c) the risk that the transactions will result in an increase in the scope and complexity of the operations of the Corporation which the Corporation may not be able to managed effectively, and (d) the risk of a loss or reduction of control over certain assets of the Corporation.

The presence of one or more material liabilities or commitments of an acquired company that are unknown to the Corporation at the time of acquisition could have a Material Adverse Effect. A strategic transaction may also result in a significant change in the nature of the Business, operations and strategy of the Corporation. In addition, the Corporation may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into the existing operations of the Corporation.

Further, the Corporation intends to continue to seek viable market opportunities to grow the Business both organically and through acquisitions, dispositions, and other strategic transactions. Any inability, on the Corporation's part, to successfully identify or execute on such transactions in a timely manner could have a Material Adverse Effect. In particular, the Corporation may, in pursuing

such transactions, devote considerable resources and incur significant expenses (including on, among other things, conducting due diligence and negotiating the relevant agreements and instruments). In the event that a proposed acquisition or disposition is not completed on the terms and within the timelines anticipated, such expenses may reduce the profitability of the Corporation and could have a Material Adverse Effect.

Holding Company Risk

The Corporation is a holding company. Essentially, all of the Corporation's operating assets are the capital stock of its Subsidiaries, and substantially all of the Business is conducted through its Subsidiaries which are separate legal entities. Consequently, the Corporation's cash flows and ability to pursue future business and expansion opportunities are dependent on the earnings of the Corporation's Subsidiaries and the distribution of those earnings to the Corporation. The ability of the Corporation to pay dividends and other distributions will depend on the operating results of its Subsidiaries and will be subject to applicable Laws (which require that certain solvency and capital standards be maintained by the Corporation), and applicable contractual restrictions contained in the instruments governing their debt. In the event of a bankruptcy, liquidation or reorganization of any of its Subsidiaries, holders of indebtedness and trade creditors will generally be entitled to payment of their claims from the assets of such Subsidiaries before any assets are made available for distribution to the Corporation.

Challenging Global Financial Conditions

Global financial conditions have been characterized by increased volatility, with numerous financial institutions having either gone into bankruptcy or having to be rescued by Governmental Entities. Global financial conditions could suddenly and rapidly destabilize in response to future events as Governmental Entities may have limited resources to respond to future crises. Global capital markets have continued to display increased volatility in response to global events. Future crises may be precipitated by any number of causes including natural disasters, the outbreak of communicable disease, geopolitical instability, and changes to energy prices or sovereign defaults. Any sudden or rapid destabilization of global economic conditions could negatively impact the ability of the Corporation, or the ability of the operators of the companies in which the Corporation may, from time to time, hold interests, to obtain equity or debt financing or make other suitable arrangements to finance their projects. In the event that increased levels of volatility continue or in the event of a rapid destabilization of global economic conditions, such events could result in a Material Adverse Effect.

Litigation

The Corporation may, from time to time, become party to regulatory proceedings, litigation, mediation, or arbitration from time to time in the ordinary course of business, which could have a Material Adverse Effect. Monitoring and defending against legal actions, whether or not meritorious, can be time-consuming, can divert Management's attention and resources and can cause the Corporation to incur significant expenses. In addition, legal fees and costs incurred in connection with such activities may be significant and the Corporation could, in the future, be subject to judgments or enter into settlements of claims for significant monetary damages. While the Corporation may have insurance that may cover the costs and awards of certain types of litigation, the amount of insurance may not be sufficient to cover any costs or awards. Substantial litigation costs or an adverse result in any litigation could have a Material Adverse Effect. Litigation may also create a negative perception of the Corporation. Any decision resulting from any such litigation could have a Material Adverse Effect.

Dividend Policy

The declaration, timing, amount and payment of dividends are at the discretion of the Board and will depend upon the Corporation's future earnings, cash flows, acquisition capital requirements and financial condition, and other relevant factors. There can be no assurance that the Corporation will declare a dividend on a quarterly, annual or other basis.

Customer Acquisitions

The success of the Corporation depends, in part, on the ability of the Corporation to attract and retain customers. There are many factors which could impact the Corporation's ability to attract and retain customers, including but not limited to the ability to continually source desirable and effective product, the successful implementation of customer-acquisition plans and the continued growth in the aggregate number of customers. Any failure to acquire and retain customers would have a Material Adverse Effect.

Risks Inherent in an Agricultural Business

The business of certain suppliers of the Corporation involves the growth and cultivation of cannabis. Cannabis is an agricultural product, and as such, the business of growing and cultivating cannabis is subject to the customary risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks. Weather conditions, which can vary substantially from year to year, may from time to time also have a significant impact on the size and quality of the harvest of the crops processed and sold by certain suppliers of the Corporation. Significant fluctuations in the total harvest could impact the ability of the Corporation to operate. Further, high degrees of quality variance can also affect the ability of the Corporation to obtain and retain customers. There can be no assurance that natural elements will not have a material adverse effect on the cannabis and cannabis products produced by suppliers of the Corporation, which could have a Material Adverse Effect.

Uninsured or Uninsurable Risks

While the Corporation may have insurance to protect its assets, operations, and employees, such insurance is subject to coverage limits and exclusions and may not be available for the risks and hazards to which the Corporation is exposed. No assurance can be given that such insurance will be adequate to cover the liabilities of the Corporation or that it will be available in the future or at all, and that it will be commercially justifiable. The Corporation may be subject to liability for risks against which the Corporation cannot insure or against which the Corporation may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available to the Corporation for normal business activities. Payment of liabilities for which the Corporation does not carry insurance could have a Material Adverse Effect.

Wholesale Price Volatility

The cannabis industry is a margin-based business in which gross profits depend, among other things, on the excess of sales prices over costs. Consequently, profitability is sensitive to fluctuations in wholesale and retail prices caused by changes in supply (which itself depends on other factors such as weather, fuel, equipment and labour costs, shipping costs, economic situation and demand), taxes, government programs and policies for the cannabis industry (including price controls and wholesale price restrictions that may be imposed by provincial agencies responsible for the sale of cannabis) and other market conditions, all of which are factors beyond the control of the Corporation, and which could have a Material Adverse Effect.

Intellectual Property

The success of the Corporation depends, in part, on the ability to protect the Corporation's ideas and technologies. As such, the ownership and protection of current and future trademarks, patents, trade secrets and intellectual property rights of the Corporation, as applicable, are currently, and are expected to be, key aspects of the future success of the Corporation. However, registration of trademarks, patents and other intellectual property could potentially be rejected by the governing authorities of the regions in which the Corporation is currently pursuing, or will from time to time pursue, business opportunities and the validity of any registrations granted may subsequently be challenged by third-parties. The outcome of these registration and validity challenge processes is unpredictable.

In addition, unauthorized parties may attempt to replicate or otherwise obtain and use the current and future products and technologies of the Corporation. Policing the unauthorized use of the current or future trademarks, patents, trade secrets or intellectual property rights of the Corporation could be difficult, expensive, time-consuming and unpredictable, as may be enforcing these rights against unauthorized use by others. Identifying unauthorized use of intellectual property rights is difficult as the Corporation may be unable to effectively monitor and evaluate the products being distributed by its competitors, including parties such as unlicensed dispensaries, and the processes used to produce such products. In addition, in any infringement proceeding, some or all of the trademarks, patents or other intellectual property rights or other proprietary know-how, or arrangements or agreements seeking to protect the same may be found invalid, unenforceable, anti-competitive or not infringed. An adverse result in any litigation or defense proceedings could put one or more of the trademarks, patents or other intellectual property rights at risk of being invalidated or interpreted narrowly and could put existing intellectual property applications at risk of not being issued. Any or all of such events, to the extent involving the Corporation, could have a Material Adverse Effect.

Finally, other parties may claim that the products of the Corporation infringe on their proprietary and perhaps patent-protected rights. Such claims, whether or not meritorious, may result in the expenditure of significant financial and managerial resources, legal fees, injunctions, temporary restraining orders or require the payment of damages. As well, the Corporation may need to obtain licenses from third parties who allege that the Corporation may have infringed on their lawful rights. However, such licenses may not be available on terms acceptable to the Corporation or at all. In addition, the Corporation may not be able to obtain or utilize on terms that are favorable, or at all, licenses or other rights with respect to intellectual property that the Corporation does not own.

Vulnerability to Rising Energy Costs

The Corporation's extraction and manufacturing operations consume considerable energy, making the Corporation vulnerable to rising energy costs. Rising or volatile energy costs may have a Material Adverse Effect and impact the ability of the Corporation to operate profitably.

Transportation Risks

In order for customers of the Corporation to receive their product, the Corporation relies on third party transportation services. The Corporation faces risks related to the transportation of Hemp and Hemp-derived products and its reliance on third party transportation services. This can cause logistical problems with, and delays in, end users obtaining their orders which the Corporation cannot control. Any delay by third party transportation services may adversely affect the Corporation's financial performance. Due to the nature of the Business, security of product during transport is of the utmost concern. A breach of security during transport or delivery could have a Material Adverse Effect. Any breach of the security measures during transport or delivery, including any failure to comply with recommendations or requirements of applicable cannabis regulatory and Hemp authorities or other regulatory agencies, could also have an impact on the ability of the Corporation, as well as its suppliers' ability to continue operating. Other risks related to the transportation of the Corporation's products include but are not limited to, risks resulting from the continually evolving federal and state regulatory environment governing Hemp production, THC testing, and transportation.

Leases

The Corporation may, from time to time, enter into lease agreements for locations in respect of which at the time of entering such agreement, the Corporation does not have a license or permit to sell cannabis and cannabis products. In the event the Corporation is unable to obtain Authorizations to sell cannabis and cannabis products at such locations in compliance with applicable Laws, such leases may become a liability of the Corporation without a corresponding revenue stream. In the event that the Corporation is unable to obtain permits or licenses at numerous locations for which the Corporation has or will have a lease obligation, this could have a Material Adverse Effect.

International Sales and Operations

The Corporation conducts a portion of the Business in foreign jurisdictions such as the United States, U.K. and Netherlands, and is subject to regulatory compliance in the jurisdictions in which it operates from time to time. The sales operations of the Corporation in foreign jurisdictions are subject to various risks, including, but not limited to, exposure to currency fluctuations, political and economic instability, increased difficulty of administering business, and the need to comply with a wide variety of international and domestic Laws and regulatory requirements. Further, there are a number of risks inherent in the Corporation's international activities, including, but not limited to, unexpected changes in the governmental policies of Canada, the United States, U.K., Netherlands, or other foreign jurisdictions concerning the import and export of goods, services and technology and other regulatory requirements, tariffs and other trade barriers, costs and risks of localizing products for foreign languages, longer accounts receivable payment cycles, limits on repatriation of earnings, the burdens of complying with a wide variety of foreign Laws, and difficulties supervising and managing local personnel. The financial stability of foreign markets could also affect the Corporation's international sales. Such factors may have a Material Adverse Effect. In addition, international income may be subject to taxation by multiple jurisdictions, which could also have a Material Adverse Effect.

Regulatory Intervention Impacting on the Marketability of CBD Products in the UK

All of Blessed's products that are ingestible and that contain CBD are regarded by the U.K. and European food standards regulators as novel foods. On February 13, 2020, the FSA issued a statement confirming that in order for CBD products to be sold in the U.K. after March 31, 2021, that a novel foods application must be submitted to it prior to March 31, 2021. Blessed has submitted a number of Novel Foods applications in respect of its products prior to the March 31, 2021 deadline. Some of Blessed's products have been validated by the FSA and others are marked as awaiting evidence. When the validation process is complete the FSA will spend up to nine months (on a start/stop the clock basis if further information is needed) to carry out a risk assessment of the products and then up to a further seven months for any subsequent risk management considerations and an authorization decision.

The Board expects the FSA to validate those products marked as awaiting evidence by ~~mid 2024~~ mid 2025 The Board expects the FSA to formally approve the applications by the end of ~~2024~~, 2025. However, the Board notes that the FSA has not provided any

timeline. The Board is therefore confident that Blessed's applications will be successful although there are no guarantees. While the Board believes this is unlikely, if the application for any product is not successful then Blessed will have to cease marketing such product in the U.K. This will inevitably decrease the Corporation's revenues from the U.K. market and have a negative financial impact on the Corporation.

Delays in Obtaining, or Failure to Obtain Regulatory Approvals in Germany

The Corporation is subject to governmental regulations in Germany and any delays in obtaining, or failure to obtain regulatory approvals could significantly delay the development of markets and products and could have a material adverse effect on the business, results of operations, financial condition and prospects of the Corporation.

Legalization in Germany applies only to cannabis stemming from cultivation for medicinal purposes under state control and in preparations as finished medicinal products. Currently, the production, distribution, exportation and importation of medical cannabis products in Germany is legal, subject to regulations and licensing requirements. Medical cannabis in Germany must comply with the corresponding monographs of the German and European pharmacopoeia.

The import, export and distribution of medical cannabis currently requires a wholesale permit pursuant to the *German Medicines Act* (the "**AMG**") and a distribution permit for narcotics pursuant to the Federal Narcotics Act ("**BtMG**"). Manufacturing operations require authorizations pursuant to AMG. All BtMG permit applications must specify the strains and estimated quantities of medical cannabis involved and any subsequent changes must be reported to the BfArM. The import of medical cannabis from other EU and non-EU countries requires quantity-based import licenses pursuant to the BtMG. In addition, for imports from a non-EU country, an import certificate pursuant to the AMG is required and in certain circumstances, depending on the import source, a general import permit may also be required under the AMG.

Federal Opium Agency of Germany's Federal Institute for Drugs and Medical Devices (" **BfArM**") formed a cannabis division (the "**Cannabis Agency**") responsible for overseeing the cultivation, harvesting, processing, quality control, storage, packaging and distribution to wholesalers, pharmacists and manufacturers. The Cannabis Agency also regulates pricing of German-produced medical cannabis products and serves as an intermediary of medical cannabis product sales between manufacturers, wholesalers and pharmacies on a non-profit basis. The Cannabis Agency has no influence on the actual retail price of medical cannabis products. The Cannabis Agency is not responsible for the import of medical cannabis products and will therefore neither purchase nor distribute imported medical cannabis products. As a wholesaler, the Cannabis Agency sells German-based medical cannabis products in its own name. The Cannabis Agency contracted with a distributor that was selected in a Europe-wide tender procedure and commissioned it to carry out the distribution of medical cannabis products in accordance with all pharmaceutical and narcotic legal requirements.

The current regime permits the importation of cannabis plants and plant parts for medicinal purposes under state control. Germany must estimate the expected demand of medical cannabis products for medical and research purposes for the following year and report such estimates to the International Narcotics Control Board pursuant to the United Nations 1961 Single Convention on Narcotic Drugs ("**Narcotics Convention**"). The estimates are also required to be reported by the BfArM by June 30th of each year.

As a prerequisite to obtaining a German import license, the supplier must grow and harvest in compliance with European Union "Good Agricultural and Collection Practice" guidelines and manufacture in compliance with European Union "Good Manufacturing Practice" guidelines and certifications. All medical cannabis products imported to Germany must derive from plant material cultivated in a country whose regulations comply with the Narcotic Convention and must comply with the relevant monographs described in the German and European pharmacopeias. While these requirements also apply to the exportation of medical cannabis products, the current German regime does not allow domestically cultivated medical cannabis products to be directly sold to commercial entities other than the Cannabis Agency. Medical cannabis products imported pursuant to an import license under the BtMG and AMG permits are sold exclusively to pharmacies for final dispensing to patients on a prescription basis as 'magistral preparations', a term used in Europe to refer to medical products prepared in a pharmacy in accordance to a medical prescription for an individual patient. In addition to magistral preparations, medical cannabis products are also marketable as pre-packaged, licensed drugs.

Failure to comply with the laws and regulations applicable to the Corporation's operations may lead to possible sanctions, including revocation or suspension of licences (and thus the Corporation's inability to operate), recalls and withdrawals (both regulatory and as a result of competition law proceedings), the loss of eligibility as a corporate body of a corporation or as a medicinal product or narcotics law functionary (and thus the Corporation's inability to operate), flanked by administrative fines for regulatory offences, fines and imprisonment for criminal offences as well as administrative orders (requirements, prohibitions, etc.) as well as competition law warnings and proceedings (such as injunctions).

Loss of Suppliers, Service Providers, or Distributors for its Germany Business

The Corporation relies in Germany on various supply and distribution agreements with third-parties, such as cannabis cultivators, packaging suppliers, service providers and distribution partners. The loss of such suppliers or service providers and/or distributors or their timely service would have a material adverse effect on the Corporation's business and operational results.

The Corporation relies on its sales and distribution agreements to supply products to distribution partners in Germany, which are then distributed to German pharmacies for sales to medical cannabis patients and also on direct sales of products to German pharmacies.

The Corporation relies on supply agreements with cannabis cultivators and producers in order to meet the demands of their respective sales agreements with distribution partners and pharmacies. Consequently, the Corporation relies on the suppliers of such supply agreements to provide necessary cannabis products to the Corporation. If any suppliers fail to supply any contracted materials to the Corporation, the Corporation may fail to meet purchase commitments from their distribution partners and this could result a material adverse effect on the Corporation's business, financial and operational results.

Corruption and Anti-Bribery Law Violations

The Corporation is subject to applicable Laws which generally prohibit companies and employees from engaging in bribery or other prohibited payments to foreign officials for the purpose of obtaining or retaining business. In addition, the Corporation is subject to the anti-bribery and anti-money laundering laws of foreign jurisdictions in which it may from time to time conduct the Business. The Corporation's employees or other agents may, without its knowledge and despite its efforts, engage in prohibited conduct, whether prohibited under the Corporation's policies and procedures or under anti-bribery laws, for which the Corporation may be directly or indirectly held responsible. There can be no assurance that the Corporation's internal control policies and procedures from time to time in effect will protect it from recklessness, fraudulent behavior, dishonesty or other inappropriate acts committed by its affiliates, employees, contractors or agents. If the Corporation's employees or other agents are found to have engaged in such practices, the Corporation could suffer severe penalties and other consequences that may have a Material Adverse Effect.

Applicable Privacy Laws

The Corporation may from time to time collect and store personal information about its customers and will be responsible for protecting that information from privacy breaches. A privacy breach may occur through procedural or process failure, information technology malfunction, or deliberate unauthorized intrusions. Theft of data for competitive purposes, particularly client lists and preferences, is an ongoing risk whether perpetrated via employee collusion or negligence or through deliberate cyber-attack. Any such theft or privacy breach could have a Material Adverse Effect.

Failure to Manage Growth Successfully

The Business has grown rapidly in the last year. The Corporation's growth places a strain on managerial, financial, and human resources. The Corporation will need to provide adequate operational, financial and management controls and reporting procedures to manage the continued growth in the number of employees, scope of operations and financial systems as well as the geographic area of operations. Expanding the Business into new geographic areas requires the Corporation to incur costs, which may be significant, before any associated revenues materialize. Future growth beyond the next 12 months will depend upon several factors, including but not limited to the Corporation's ability to:

- issue further equity or take on further debt to fund the completion of the Corporation's expansion plans, including the build-out of new recreational cannabis stores and the expansion of its client base.
- hire, train, and manage additional employees to provide agreed upon services.
- execute on and successfully integrate acquisitions; and
- expand the Corporation's internal Management to maintain control over operations and provide support to other functional areas within High Tide.

High Tide's inability to achieve any of these objectives could harm the Business, financial condition, reputation, and operating results.

Dependence on Key Personnel

The success of the Corporation is dependent upon the ability, expertise, judgment, discretion and good faith of Key Personnel. The future success of the Corporation depends on their continuing ability to attract, develop, motivate, and retain the Key Personnel. Qualified individuals for Key Personnel positions are in high demand, and the Corporation may incur significant costs to attract and retain them. The loss of the services of Key Personnel, or an inability to attract other suitably qualified persons when needed, could have a Material Adverse Effect, and the Corporation may be unable to find adequate replacements on a timely basis, or at all. While employment and consulting agreements are customarily used as a primary method of retaining the services of Key Personnel, these agreements cannot assure the continued services of such individuals and consultants.

Ancillary Business in the United States Cannabis Industry

The Corporation derives a portion of its revenues from the cannabis industry in certain States. The Corporation is not directly or indirectly engaged in the manufacture, importation, possession, use, sale, or distribution of cannabis in the recreational or medical cannabis industry in the U.S., however, the Corporation may be considered to have ancillary involvement in the U.S. cannabis industry. Due to the current Business and any future opportunities, the Corporation may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, the Corporation may be subject to significant direct or indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Corporation's ability to invest in the United States or any other jurisdiction, in addition to those described in this Annual Information Form.

Competition

The market for businesses in the Hemp and Hemp-derived industries are competitive and evolving. In particular, the Corporation faces strong competition from both existing and emerging companies, that offer similar products. Some of the Corporation's current and potential competitors may have longer operating histories and greater financial resources (including technical, marketing, and other resources compared to the Corporation). Such companies may be able to devote greater resources to the development, promotion, sale and support of their respective products and services. Such companies may also have more extensive customer bases and broader customer relationships and may make it increasingly difficult for the Corporation to, among other things, enter into favorable business agreements, negotiate favourable prices, recruit, or retain qualified employees, and acquire the capital necessary to fund capital investments by the Corporation.

In addition, Management estimates that, as at AIF Date, there may be currently hundreds of applications for Retail Store Authorizations being processed by applicable cannabis regulatory authorities. The number of Authorizations granted, and the number of retail cannabis store operators ultimately authorized by applicable cannabis regulatory authorities, could have an adverse impact on the ability of the Corporation to compete for market share in the cannabis market within various jurisdictions in Canada. The Corporation also faces competition from illegal cannabis dispensaries, engaged in the sale and distribution of cannabis to individuals without valid Authorizations.

Given the rapid changes affecting the global, national, and regional economies generally and the Hemp-derived product industry, in particular, the Corporation may not be able to create and maintain a competitive advantage in the marketplace. The Corporation's success will depend on its ability to keep pace with any changes in such markets, especially in light of legal and regulatory changes. Its success will depend on the Corporation's ability to respond to, among other things, changes in the economy, market conditions, and competitive pressures. Any failure by the Corporation to anticipate or respond adequately to such changes could have a Material Adverse Effect.

Lastly, as the cannabis market continues to mature, both domestically and internationally, the overall demand for products and the number of competitors may be expected to increase significantly. Such increases may also be accompanied by shifts in market demand, and other factors that Management cannot currently anticipate, and which could potentially reduce the market for the products of the Corporation, and ultimately have a Material Adverse Effect.

In order to remain competitive in the evolving cannabis market, the Corporation will need to invest significantly in, among other things, research and development, market development, marketing, production expansion, new client identification, distribution channels, and client support. In the event that the Corporation is not successful in obtaining sufficient resources to invest in these

areas, the ability of the Corporation to compete in the cannabis market may be adversely affected, which could have a Material Adverse Effect.

Failure to Secure Retail Locations

One of the factors in the growth of the Corporation's cannabis retail business depends on the Corporation's ability to secure attractive locations on terms acceptable to the Corporation. The Corporation faces competition for retail locations from its competitors and from operators of other businesses. There is no assurance that future locations will produce the same results as past locations.

Cyber Risks

The Corporation and its third-party services provider's information systems are vulnerable to an increasing threat of continually evolving cybersecurity risks. These risks may take the form of malware, computer viruses, cyber threats, extortion, employee error, malfeasance, system errors or other types of risks, and may occur from inside or outside of the respective organizations. The operations of the Corporation depend, in part, on how well networks, equipment, information technology systems and software are protected against damage from several threats. The failure of information systems or a component of information system could, depending on the nature of any such failure, could have a Material Adverse Effect.

Risk of Enforcement of U.S. Federal Laws

There can be no assurance that the U.S. federal government will not seek to prosecute cases involving cannabis businesses, including those of the Corporation, notwithstanding compliance with the securities laws of the applicable State. Such proceedings could have a Material Adverse Effect.

Further, violations of any U.S. federal laws could result in significant fines, penalties, administrative sanctions, convictions, or settlements arising from civil proceedings conducted by either the U.S. federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a Material Adverse Effect, including on its reputation and ability to conduct business, its ability to list its securities on stock exchanges, its financial position, its operating results, its profitability or liquidity or the value of its securities. In addition, the time of Management and advisors of the Corporation and resources that would be needed for the investigation of any such matters, or their final resolution could be substantial.

Epidemics and Pandemics

The Corporation faces risks related to health epidemics, pandemics, and other outbreaks of communicable diseases, which could significantly disrupt its operations and could have a Material Adverse Effect. Such events may result in a period of business disruption, and in reduced operations, any of which could have a Material Adverse Effect. There can be no assurance that the personnel of the Corporation will not be impacted by such events and ultimately see its workforce productivity reduced or incur increased costs because of these health risks.

Licenses and Permits

The ability of the Corporation to continue the Business is dependent on the good standing of various Authorizations from time to time possessed by the Corporation and adherence to all regulatory requirements related to such activities. The Corporation will incur ongoing costs and obligations related to regulatory compliance, and any failure to comply with the terms of such Authorizations, or to renew the Authorizations after their expiry dates, could have a Material Adverse Effect.

Although Management believes that the Corporation will meet the requirements of applicable Laws for future extensions or renewals of the applicable Authorizations, there can be no assurance that applicable Governmental Entities will extend or renew the applicable Authorizations, or if extended or renewed, that they will be extended or renewed on the same or similar terms. If the applicable Governmental Entities do not extend or renew the applicable Authorizations, or should they renew the applicable Authorizations on different terms, any such event or occurrence could have a Material Adverse Effect.

The Corporation remains committed to regulatory compliance. However, any failure to comply with applicable Laws may result in additional costs for corrective measures, penalties, or restrictions on the operations of the Corporation. In addition, changes in

applicable Laws or other unanticipated events could require changes to the operations of the Corporation, increased compliance costs or give rise to material liabilities, which could have a Material Adverse Effect.

Cannabis Prices

A major part of the Corporation's revenue is derived from the sale and distribution of cannabis, as such, the profitability of the Corporation may be regarded as being directly related to the price of cannabis. The cost of production, sale, and distribution of cannabis is dependent on several key inputs and their related costs, including equipment and supplies, labour and raw materials related to the growing operations of cannabis suppliers, as well other overhead costs such as electricity, water, and utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could have a Material Adverse Effect. Further, any inability to secure required supplies and services or to do so on favourable terms could have a Material Adverse Effect. This includes, among other things, changes in the selling price of cannabis and cannabis products set by the applicable province or territory. There is currently no established market price for cannabis and the price of cannabis is affected by numerous factors beyond the Corporation's control. Any price decline could have a Material Adverse Effect.

The operations of the Corporation may be sensitive to changes in the price of cannabis and the overall condition of the cannabis industry

Difficulty to Forecast

The Corporation relies, and will need to rely, largely on its own market research to forecast industry statistics as detailed forecasts are not generally obtainable, if obtainable at all, from other sources at this early stage of the adult-use cannabis industry. Failure in the demand for the adult-use cannabis products because of competition, technological change, change in the regulatory or legal landscape or other factors could have a Material Adverse Effect.

Political and Other Risks Operating in Foreign Jurisdictions

The Corporation has operations in various foreign markets and may have operations in additional foreign and emerging markets in the future. Such operations expose the Corporation to the socioeconomic conditions as well as the laws governing the controlled substances industry in such foreign jurisdictions. Inherent risks with conducting foreign operations include, but are not limited to, high rates of inflation; fluctuations in currency exchange rates, military repression, war or civil unrest, social and labour unrest, organized crime, terrorism, violent crime, expropriation and nationalization, renegotiation or nullification of existing Authorizations, changes in taxation policies, restrictions on foreign exchange and repatriation, and changes political norms, currency controls and governmental regulations that favour or require the Corporation to award contracts in, employ citizens of, or purchase supplies from, the jurisdiction.

Loss of entire investment

An investment in the Common Shares is speculative and may result in the loss of an investor's entire investment. Only potential investors who are experienced in high-risk investments and who can afford to lose their entire investment should consider an investment in the Corporation.

There can be no assurance regarding the amount of income to be generated by the Corporation. Common Shares are equity securities of the Corporation and are not fixed income securities. Unlike fixed income securities, there is no obligation of the Corporation to distribute to shareholders a fixed amount or any amount at all, or to return the initial purchase price of the Common Shares on any date in the future. The market value of the Common Shares may deteriorate if the Corporation is unable to generate sufficient positive returns, and that deterioration may be significant.

Forward-looking information may prove to be inaccurate

Investors should not place undue reliance on forward-looking information. By their nature, forward-looking information involve numerous assumptions, known and unknown risks and uncertainties, of both general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties can be found in this under the heading "*Cautionary Note Regarding Forward-Looking Information*".

Future issuances or actual or potential sales of securities

The issuance by the Corporation of the Common Shares could result in significant dilution in the equity interest of existing shareholders and adversely affect the market price of the Common Shares. In addition, in the future, the Corporation may issue additional Common Shares or securities convertible into Common Shares, which may dilute existing shareholders. The Corporation's articles permit the issuance of an unlimited number of Common Shares, and shareholders will have no pre-emptive rights in connection with such further issuances. Further, additional Common Shares may be issued by the Corporation upon the exercise of Options and upon the exercise or conversion of other securities convertible into Common Shares. The issuance of these additional equity securities may have a similar dilutive effect on then existing holders of Common Shares.

The market price of the Common Shares could decline as a result of future issuances by the Corporation, including issuance of Common Shares issued in connection with strategic alliances, or sales by its existing holders of Common Shares, or the perception that these sales could occur. Sales by shareholders might also make it more difficult for the Corporation to sell equity securities at a time and price that it deems appropriate, which could reduce its ability to raise capital and have an adverse effect on the Business.

Discretion over the Use of Proceeds

The Corporation intends to use the net proceeds from the 2023 ATM Program as set forth under the section entitled "Use of Proceeds" in the 2023 ATM Prospectus Supplement; however, the Corporation maintains broad discretion concerning the use of the net proceeds of the 2023 ATM Program as well as the timing of their expenditure. The Corporation may re-allocate the net proceeds of the 2023 ATM Program if Management believes it would be in the Corporation's best interest to do so and in ways that a purchaser may not consider desirable. Until utilized, the net proceeds of the 2023 ATM Program will be held in cash balances in the Corporation's bank account or invested at the discretion of the Board. As a result, a purchaser will be relying on the judgment of Management for the application of the net proceeds of the 2023 ATM Program. The results and the effectiveness of the application of the net proceeds are uncertain. If the net proceeds are not applied effectively, the Corporation's results of operations may suffer, which could adversely affect the price of the Common Shares on the open market.

Sales of a Significant Number of Securities

The Corporation cannot predict the size of future issuances of debt or equity securities or the effect, if any, that such future issuances will have on the market price of the Corporation's securities. Sales of a substantial number of securities in the public markets by the Corporation or its significant securityholders, or the perception that such sales could occur, could depress the market price of the Corporation's securities and impair its ability to raise capital through the sale of additional securities. The Corporation cannot predict the effect that future sales of securities would have on the market price of the securities. The price of the securities could be affected by possible sales of the securities by hedging or arbitrage trading activity which the Corporation expects to occur involving its securities. With any additional sale or issuance of equity securities, investors will suffer dilution of their voting power and may experience dilution in our earnings per security.

Additional Financing

The continued development of the Corporation will require additional financing. There is no guarantee that the Corporation will be able to achieve its Business objectives. The Corporation intends to fund its future Business activities by way of additional offerings of equity or debt financing as well as through anticipated positive cash flow from operations in the future. The failure to raise or procure such additional funds or the failure to achieve positive cash flow could result in the delay or indefinite postponement of current Business objectives. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, will be on terms acceptable to the Corporation. If additional funds are raised by offering equity securities, existing shareholders could suffer significant dilution. Any debt financing secured in the future could involve the granting of security against assets of the Corporation and also contain restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for the Corporation to obtain additional capital and to pursue business opportunities, including potential acquisitions. The Corporation will require additional financing to fund its operations until positive cash flow is achieved. See "Non-Exhaustive List of Risk Factors – *Cash Flow from Operations*".

The Market Price of the Common Shares is Volatile and May Not Accurately Reflect the Long-Term Value of the Corporation

Securities markets have a high level of price and volume volatility, and the market price of securities of many companies has experienced substantial volatility in the past. This volatility may affect the ability of holders of Common Shares to sell their securities at an advantageous price. Market price fluctuations in the Common Shares may be due to the Corporation's operating results failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the

Corporation or its competitors, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of the Common Shares.

Financial markets historically at times experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Corporation's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Corporation's operations could be adversely impacted, and the trading price of the Common Shares may be materially adversely affected.

No Guarantee of an Active Liquid Market for Securities

There is no guarantee that an active trading market for the Common Shares will be maintained on the TSXV and Nasdaq. Investors may not be able to sell their Common Shares quickly, at all, or at the latest market price if trading in the securities is not active.

Trading of the Common Shares May Be Restricted by the SEC's "Penny Stock" Regulations Which May Limit a Stockholder's Ability to Buy and Sell the Common Shares

The SEC has adopted regulations which generally define "penny stock" to be any equity security that has a market price (as defined) less than USD$5.00 per share or an exercise price of less than USD$5.00 per share, subject to certain exceptions. The Common Shares are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors" (as defined in the U.S. Securities Act). The penny stock rules require a broker-dealer to provide very specific disclosure to a customer who wishes to purchase a penny stock, prior to the purchase. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade the Corporation's securities.

Credit Risk

The maximum credit exposure as of July 31, 2024, is the carrying amount of cash and cash equivalents, trade receivables and other current assets. The Corporation does not have significant credit risk with respect to outstanding trade receivables. All cash and cash equivalents are placed with major Canadian financial institutions.

Loan receivable credit risk is managed by each loan separately according to the Corporation policy, procedures and control relating to the borrower's credit risk management. At the end of each period, the individual loan values are assessed based on a credit risk analysis.

The expected credit loss analysis is generally based on Management's understanding of the borrower's experience/integrity, financial health, business plans, capacity, products, customers, contracts, competitive advantages/disadvantages, and other pertinent factors when assessing credit risk. This would also include the assessment of the borrower's forecasts as well as taking into consideration any security and/or collateral the Corporation has on the outstanding balance.

Liquidity Risk

As at the Fiscal Year-End Date, the Corporation's financial liabilities with liquidity risk consist of trade payables and other accounts payable which have contractual maturity dates within one year, bank loans and, checks receivables and lease liabilities. The Corporation manages its liquidity risk by reviewing its capital requirements on an ongoing basis. Based on the tight margins of the industry in which the Corporation operates in, Management considers liquidity risk to be high.

Foreign Currency Risk

The functional currency of the Corporation's United States (" **U.S.**") subsidiaries is the U.S. dollar (" **USD**"), of the Corporation's European subsidiaries is the Euro ("**EUR**"), and of the Corporation's United Kingdom subsidiaries is the British Pound Sterling (" **GBP**"). Transactions denominated in currencies other than the functional currency are translated at the rate prevailing at the date of transaction. Monetary assets and liabilities that are denominated in foreign currencies are translated at the rate prevailing at each reporting date. Income and expense amounts are translated at the dates of the transactions.

As of October 31, 2024, the Canadian dollar carrying amounts of the Corporation's foreign currency denominated monetary assets and monetary liabilities were as follows: GBP: $561,000; EUR: $50,000; and USD: ($254,000). The Corporation's objective in managing its foreign currency risk is to minimize its net exposure to foreign currency cash flows by transacting, to the greatest extent possible, with third parties in the Canadian Dollar. The Corporation does not currently use foreign exchange contracts to hedge its exposure of its foreign currency cash flows as Management has determined that this risk is not significant at this point of time.

Tax Remittance

The Corporation is subject to the provisions of the *Tax Act* and to review by CRA. The Corporation files its annual tax compliance based on its interpretation of the *Tax Act* and CRA's guidance. There is no certainty that the returns and tax position of the Corporation will be accepted by CRA as filed. Any difference between the Corporation's tax filings and CRA's final assessment could impact the Corporation's results and financial position.

There can be no assurance that income tax laws or the interpretation thereof in any of the jurisdictions in which the Corporation operates will not be changed or interpreted or administered in a manner which adversely affects the Corporation and its shareholders. In addition, there is no assurance that CRA will agree with the manner in which the Corporation calculates taxes payable or that any of the other tax agencies will not change their administrative practices to the detriment of the Corporation or its shareholders.

Conflict and Political Instability in Eastern Europe

Since the first part of 2023, there has been significantly higher levels of volatility in global markets due to market participants' reactions to, and uncertainty surrounding, the magnitude and timing of government and central bank action to be taken in response to heightened inflation, as well as Russia's invasion of Ukraine. This volatility has resulted in a decline in the level of activity in the financial markets. Continued market volatility or uncertainty related to actions taken or to be taken by central banks, a decline in the global macroeconomic outlook, including as a result of Russia's invasion of Ukraine and the threat, or outbreak of more widespread armed conflict in Eastern Europe would cause financial market activity to continue to decrease, which would negatively affect the Corporation's revenues and capital markets activity.

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SCHEDULE "B"
HIGH TIDE INC. STATEMENT OF EXECUTIVE COMPENSATION
(FOR THE YEAR ENDED OCTOBER 31, 2024)

(See attached.)

HIGH TIDE INC.

STATEMENT OF EXECUTIVE COMPENSATION

(FOR THE YEAR ENDED OCTOBER 31, 2024)

Compensation Discussion and Analysis

Introduction

The purpose of this Compensation Discussion and Analysis is to provide information about High Tide Inc.'s (the "Company") philosophy, objectives and processes regarding executive compensation. This disclosure is intended to communicate the compensation provided to: (i) the Chief Executive Officer of the Corporation (the "CEO"), (ii) the Chief Financial Officer of the Corporation (the "CFO"), (iii) each of the three most highly compensated executive officers of the Corporation, if any, whose individual total compensation was more than $150,000 for the year ended October 31, 2024, (iv) each individual who satisfies the criteria under paragraph (iii) but for the fact the individual was not an executive officer of the Corporation, nor acting in a similar capacity, at as October 31, 2024 (collectively, the "Named Executive Officers") and (v) the directors of the Corporation. During the year ended October 31, 2024, the Named Executive Officers of the Corporation were Harkirat (Raj) Grover, Mayank Mahajan, Sergio Patino, Andy Palalas, Aman Sood, and Omar Khan. The description of the Corporation's compensation philosophy and objectives and the elements of such compensation for the year ended October 31, 2024 is set forth below:

Compensation Governance

The compensation practices of the Corporation are based upon the recommendations of the Compensation Committee of the Board, which formally approves those recommendations as appropriate.

The Compensation Committee of the Corporation comprises of Ms. Andrea Elliott (Chair), Mr. Christian Sinclair and Mr. Arthur Kwan, each of whom is considered to be independent. Each of the Compensation Committee members have familiarity with compensation practices across publicly listed companies owing to their experience as investors in the retail and Cannabis sectors.

Further details as to the professional experience of the members of the Compensation Committee is contained in the section "Election of Directors."

The Compensation Committee is responsible for recommending the levels of and nature of compensation paid to the directors and officers of the Corporation, as well as the management working in its subsidiaries. It meets throughout the year as required and on an ad hoc basis. Typically, it makes recommendations to the Board on an annual basis as regards levels of compensation and any changes in practices. To the degree it believes is appropriate, the Compensation Committee seeks advice from independent practitioners with expertise in the field of compensation matters.

During the financial year ended October 31, 2024, the Compensation Committee did not retain an external consultant. The Compensation Committee led a self-initiated review of compensation practices amongst a peer group it considered relevant in terms of size and industry. In addition, the Compensation Committee considered the compensation results published in multiple compensation survey sources related to the cannabis sector when determining 2024 compensation.

In the first quarter of the Financial Year ended October 31, 2024, the Compensation Committee retained Global Governance Advisors Inc. ("**GGA**") an independent compensation and governance advisory firm, with substantial experience working in the Cannabis sector. GGA's mandate for the Compensation Committee was to review the compensation philosophy and peer group, review the executive and board compensation design and pay levels with respect to the peer group as well as to provide advice related to corporate governance trends of publicly traded companies, including advice related to Management Information Circular disclosure improvements for Financial Year ended October 31, 2024.

Compensation Philosophy and Objectives

The philosophy of the Corporation in determining compensation is that the compensation should (i) reflect the Corporation's current state of maturity, (ii) reflect the Corporation's performance, (iii) reflect the individual performance, (iv) align the interests of

executives with those of the Shareholders, (v) assist the Corporation in retaining key individuals, and (vi) reflect the Corporation's overall financial status.

The executive compensation program adopted by the Corporation and applied to its executive officers is designed to attract and retain qualified and experienced executives who will contribute to the success of the Corporation. The executive compensation program attempts to ensure that the compensation of the senior executive officers provides a competitive base compensation package and a strong link between corporate performance and compensation. Senior executive officers are motivated through the program to enhance long-term shareholder value and rewarded for their yearly individual contribution in the context of overall annual corporate performance.

Elements of Compensation

The executive compensation program during the year, ended October 31, 2024 consisted of three principal components: base compensation, discretionary cash bonuses and long-term compensation in the form of compensation securities consisting of stock options ("Options") and restricted share units ("RSUs") issued pursuant to the Corporation's 20% fixed equity incentive plan (the "Omnibus Plan"). For the year ended October 31, 2024, all executive compensation was determined and administered by the board of directors of the Corporation (the "Board") based on recommendations by the compensation committee of the Corporation (the "Compensation Committee").

Information with respect to the Compensation Committee and its policies and practices for the compensation of the directors and executive officers of the Corporation can be found in Schedule "E" to the Corporation's management information circular dated May 27, 2024 prepared in connection with the annual and special meeting of shareholders of the Corporation ("Shareholders") which took place on July 9, 2024.

Compensation Peer Group

To ensure market competitiveness, the Compensation Committee considers comparable compensation data from Canadian cannabis and consumer packaged goods companies that are generally of similar size and scope and that may represent the market in which the Corporation competes for executive talent. The composition of the external compensation peer group is reviewed periodically by the Compensation Committee for its ongoing business relevance to the Corporation. The publicly available compensation data from the external compensation peer group was used as a main factor in the review and consideration of compensation levels and the composition of compensation for the Corporation's executive officers and directors.

The factors assessed by the Compensation Committee in determining the external compensation peer group included operational and geographical focus, exchanges where issuers' securities are listed, market capitalization, total revenue, total assets, annual cash flows, and annual levels of capital expenditures.

The following table reflects the composition of the Corporation's external compensation peer group for the year ended October 31, 2024:

Canadian Reference Gro
Fire & Flower Holdings Corp.
The Supreme Cannabis Company, Inc.
The Valens Company
Aurora Cannabis Inc.
Sundial Growers Inc.
Alcanna Inc.

At the time of selecting the Peer Group, High Tide's size was positioned at the 44th, 55th, and 47th percentile on a market cap, revenue, and EBITDA basis, respectively.

Base Compensation

Base compensation for the Named Executive Officers is set annually, having regard to the individual's job responsibilities, contribution, experience and proven or expected performance, market conditions, as well as to the current and future financial condition of the Corporation. It is designed to provide income certainty and to attract and retain executives. In setting base compensation levels, consideration is given to such factors as level of responsibility, experience and expertise. Subjective factors such as leadership, commitment and attitude are also considered. Management and the Board have generally considered publicly available information regarding the compensation levels of executives of similarly sized companies within the industry in setting compensation. To ensure that the Named Executive Officers' compensation is strongly competitive within the industry, the base compensation will, from time to time, be reviewed by independent external advisors and correlated with operational results.

Named Executive Officers and directors are not permitted to purchase financial instruments (including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds) that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director.

Discretionary Cash Bonus

The executive compensation program for the Named Executive Officers includes eligibility for discretionary incentive cash bonuses. The bonus criteria are set at the beginning of the performance period by the Board at their discretion. Bonuses may be awarded based on the attainment of corporate objectives and the executive's performance and contribution, at the final discretion of the Board. Objectives may include strategic, financial, and operational performance goals, as well as personal performance objectives, including implementation of new strategic initiatives, the development of innovations, organizational development and other factors. The resulting bonus entitlements, if any, will therefore vary between Named Executive Officers.

Cash Bonus Plan Changes for Financial Year October 31, 2024

As part of GGA's mandate, the Compensation Committee is working with GGA to design a corporate scorecard to measure bonus awards for Financial Year October 31, 2024. While the Corporation anticipates that the board will retain discretion to adjust calculated bonus results, the Compensation Committee is moving towards a more formulaic bonus plan structure tied to specific corporate objectives.

Omnibus Plan

On April 19, 2022, the Board approved the Omnibus Plan, which was effective June 2, 2022, upon the Corporation receiving disinterested Shareholder approval (the "Effective Date"), pursuant to which the Corporation is able to issue share-based and cash-based long-term incentives to eligible participants. The Omnibus Plan replaced the former option plan (the "Stock Option Plan") and RSU plan (the "RSU Plan") of the Corporation (together, the "Predecessor Plans"). A copy of the Omnibus Plan is available under the Corporation's SEDAR+ profile at www.sedarplus.ca.

All directors, officers, employees, management company employees and consultants of the Corporation or its affiliates ("Participants") are eligible to receive Awards (as defined below) under the Omnibus Plan, subject to the terms of the Omnibus Plan. Awards include Options, stock appreciation rights, restricted share awards, RSUs, performance shares, performance units, cash-based awards and other share-based awards (collectively, the "Awards"), under the Omnibus Plan.

To provide a long-term component to the executive compensation program, the Corporation adopted the Omnibus Plan. During the year ended October 31, 2024, the Corporation granted an aggregate total of 573,191 Awards to Named Executive Officers and directors, comprised of 50,000 Options and 523,191 RSUs. The maximization of Shareholder value is encouraged by granting Awards. Recommendations for Awards have historically considered factors such as Awards made in previous years, the number of Awards outstanding per individual and the individual's level of responsibility.

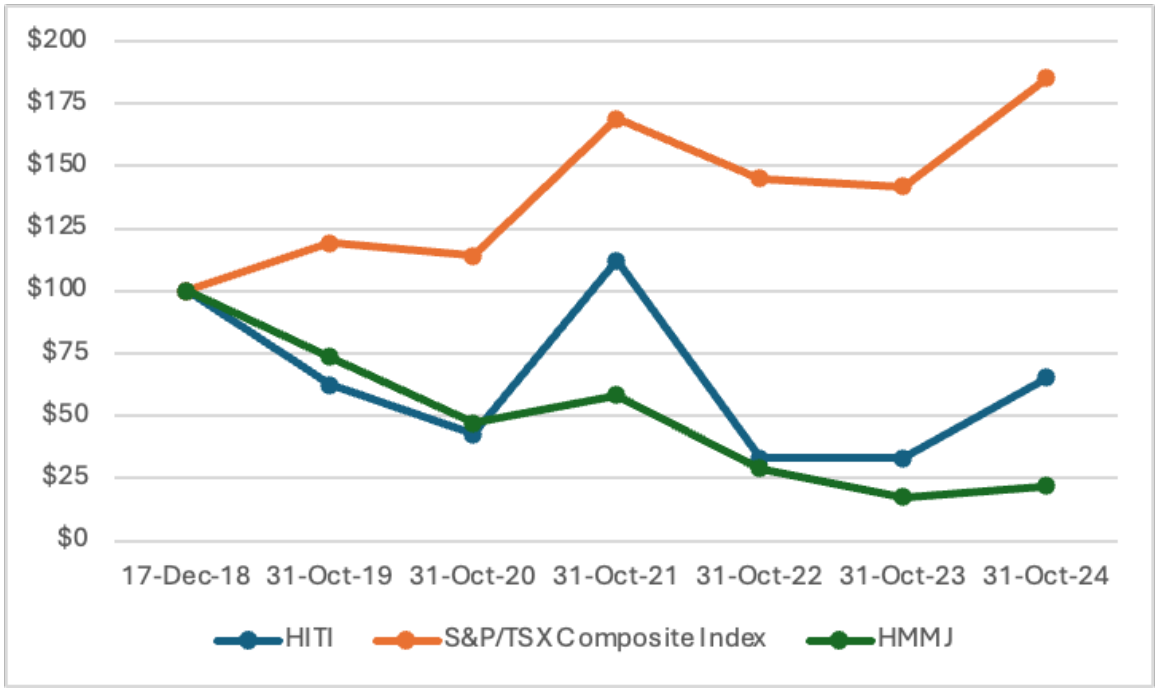
Risk Analysis

The Board and Compensation Committee considered risks associated with executive compensation and do not believe that the Corporation's executive compensation policies and practices encourage its executive officers to take inappropriate or excessive risks. Aside from a fixed base salary, Named Executive Officers are compensated through the granting of Awards, which are compensation that is both "at risk" and associated with long-term value creation. The value of such compensation is dependent upon Shareholder

return over Award vesting periods which reduces the incentive for executives to take inappropriate or excessive risks as their long-term compensation is at risk.

Performance Graph

The following graph compares the total cumulative return to a Shareholder who invested $100 in common shares of the Corporation (" **Common Shares**") on December 17, 2018, with the cumulative total returns of the S&P/TSX Composite Index and Horizons Marijuana Life Sciences Index ETF as at the October 31 year end date of the Corporation for each year following December 17, 2018:



Notes:

1. As at December 18, 2018, the Corporation was trading on Canadian Securities Exchange under the symbol "HITI".
2. Effective market opening on November 19, 2020, the Common Shares commenced trading on the TSX Venture Exchange under the stock symbol "HITI".

As described herein, the compensation policy for the Corporation's directors and Named Executive Officers is primarily tied to the financial performance of the business and long-term Shareholder value and not specifically to Common Share performance.

SUMMARY COMPENSATION TABLE

The following table provides information concerning compensation of the Named Executive Officers for the years ended October 31, 2024, 2023, and 2022:

Name and Position	Year	Salary ($)	Share-Based Awards ($)	Option-Based Awards ($)[1]	Non-Equity Incentive Plan Compensation		Pension Value ($)	All Other Compensation ($)[3]	Total Compensation ($)
					Annual Incentive Plans ($)[2]	Long-Term Incentive Plans ($)			
Harkirat (Raj) Grover[4]	2024	750,000	1,423,418	Nil	-	Nil	Nil	87,585[5]	2,261,003
	2023	550,000	224,999	851,175	412,500	Nil	Nil	85,606	2,124,280
President, CEO and Director	2022	450,000	Nil	Nil	225,000	Nil	Nil	84,781	759,781
Mayank Mahajan[6]	2024	184,808	42,956	52,065	-	Nil	Nil	27,431[7]	307,260
	2023	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
CFO	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sergio Patino[8]	2024	155,000	Nil	Nil	Nil	Nil	Nil	318,706[9]	473,706
	2023	264,038	Nil	54,960	25,000	Nil	Nil	773	334,771
CFO (Former)	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Andy Palalas	2024	225,000	62,355	Nil	-	Nil	Nil	6,470	293,825
	2023	212,000	26,500	141,862	79,500	Nil	Nil	5,767	465,629
Chief Marketing Officer	2022	200,000	24,998	Nil	25,000	Nil	Nil	2.889	227,889
Aman Sood	2024	300,020	83,146	Nil	-	Nil	Nil	2,712	385,878
	2023	280,000	35,001	142,431	105,000	Nil	Nil	2,155	564,587
Chief Operating Officer	2022	225,000	56,248	Nil	56,250	Nil	Nil	Nil	281,250
Omar Khan	2024	231,000	64,018	Nil	-	Nil	Nil	2,212	297,230
	2023	214,148	27,501	119,875	82,500	Nil	Nil	2,255	446,279
Chief Communications and Public Affairs Officer	2022	190,000	Nil	195,150	25,000	Nil	Nil	1,855	412,005

Notes:

1. Based on the grant date fair value determined in accordance with International Financial Reporting Standards 2, Share-based Payment and estimated using the Black Scholes pricing model, with the following key assumptions for grants during 52 weeks ended: October 31, 2022: risk-free interest rate 0.33% to 3.1% and expected volatility of 88% to 98%; October 31, 2023: risk-free interest rate 3.11% to 4.97% and expected volatility of 66% to 92%; October 31, 2024: risk-free interest rate 2.87% to 3.01% and expected volatility of 58.42 to 65.33%;.
2. Annual incentive plan compensation amounts were awarded based on performance relative to established performance targets. Annual incentive plan compensation has not yet been finalised for the year ended October 31, 2024.
3. Represents the fair value of other allowances provided.
4. Mr. Grover does not receive any compensation as a director of the Corporation.
5. Includes $24,000 car allowance and $48,873 in home security costs.
6. Mr. Mahajan was appointed as CFO on May 1, 2024.
7. Includes $19,200 in moving expenses.

8. Mr. Patino was appointed as interim CFO on February 28, 2023 and permanent CFO on August 1, 2023. Prior to that, he was a consultant for the Corporation and his reported salary includes consulting fees. Mr. Patino left the Corporation effective May 1, 2024.
9. Includes $155,000 in salary continuance and $155,000 in severance.

OUTSTANDING OPTION-BASED AND SHARE-BASED AWARDS

The following table sets forth information with respect to the Awards held by the Named Executive Officers which were outstanding as of October 31, 2024:

	Option-Based Awards				Share-Based Awards		
Name and Position	**Number of Securities Underlying Unexercised Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Value of unexercised in-the-money Options ($)[1]**	**Number of Shares or Units of Shares that have not vested (#)**	**Market Value or payout value of Share-Based Awards that have not vested ($)[2]**	**Market value or payout value of vested Share-Based Awards not paid out or distributed ($)**
Harkirat (Raj) Grover *President, CEO & Director*	900,000 N/A N/A	2.75 N/A N/A	Sept. 29, 2026 N/A N/A	1,044,000 N/A N/A	N/A 58,263 427,215	N/A 227,808 1,670,411	N/A Nil Nil
Mayank Mahajan *CFO*	50,000	2.89	Sept 19, 2027	51,000	N/A	N/A	N/A
Sergio Patino *CFO (Former)*	Nil	Nil	Nil	Nil	Nil	Nil	N/A
Andy Palalas *Chief Marketing Officer*	150,000 N/A	2.75 N/A	Sept 29, 2026 N/A	174,000 N/A	N/A 11,229	N/A 43,905	N/A Nil

Aman Sood *Chief Operating Officer*	25,000 100,000 N/A	2.47 2.75 N/A	Nov 29, 2025 Sept 29, 2026 N/A	36,000 116,000 N/A	N/A N/A 14,831	N/A N/A 57,989	N/A N/A Nil
Omar Khan *Chief Communications and Public Affairs Officer*	50,000 25,000 100,000 N/A	7.56 2.01 2.75 N/A	Nov 4, 2024 Jan 11, 2026 Sept 29, 2026 N/A	Nil 47,500 116,000 N/A	N/A N/A N/A 11,653	N/A N/A N/A 45,563	N/A N/A N/A Nil

Notes:

1. The value of unexercised in-the-money options is calculated by multiplying the number of outstanding options with an exercise price below market price (i.e., options in the money) by the delta between the market value at October 31, 2024 less the exercise price.
2. Market Value or payout value of Share-Based Awards that have not vested, is calculated by multiplying the number of unvested Share-Based Awards by the market value as of October 31, 2024.

STOCK OPTION PLANS AND OTHER INCENTIVE PLANS

Omnibus Plan

On April 19, 2022, the Board approved the Omnibus Plan, which was effective as at the Effective Date. The Omnibus Plan replaced the Predecessor Plans. A summary of the material terms of the Processor Plans can be found in the Corporation's management information circular for the year 2022.

Purpose of the Omnibus Plan

The Omnibus Plan serves several purposes for the Corporation. One purpose is to advance the interests of the Corporation by developing the interests of Participants in the growth and development of the Corporation by providing such persons with the opportunity to acquire a proprietary interest in the Corporation. All Participants are considered eligible to be selected to receive an Award under the Omnibus Plan. Another purpose is to attract and retain key talent and valuable personnel, who are necessary to the Corporation's success and reputation, with a competitive compensation mechanism. Finally, the Omnibus Plan aligns the interests of Participants with those of Shareholders by devising a compensation mechanism which encourages the prudent maximization of distributions to Shareholders and long-term growth. The Omnibus Plan is administered by the Board, or if applicable, a committee of the Board.

Omnibus Plan Maximum, Limits and Vesting Restrictions

The maximum number of Common Shares available and reserved for issuance, at any time, under the Omnibus Plan, together with any other security-based compensation arrangements adopted by the Corporation, including the Predecessor Plans, was fixed at 20% of the issued and outstanding Common Shares on the Effective Date, namely 12,617,734 Common Shares.

Common Shares underlying outstanding Awards that for any reason expire or are terminated, forfeited or cancelled shall again be available for issuance under the Omnibus Plan. Also, any Common Shares forfeited, cancelled or otherwise not issued for any reason under the predecessor Options or predecessor RSUs pursuant to the Stock Option Plan and RSU Plan, respectively, shall be available for grants under the Omnibus Plan. Any predecessor Options or predecessor RSUs outstanding under the Predecessor Plans shall remain subject to the terms of those awards and the Stock Option Plan and RSU Plan, respectively.

Awards that by their terms are to be settled solely in cash shall not be counted against the maximum number of Common Shares available for the issuance of Awards under the Omnibus Plan.

No Awards, other than Options, may vest before the date that is one year following the date it is granted or issued, although the vesting required of any such Awards may be accelerated for a Participant who dies or who ceases to be an eligible Participant under the Omnibus Plan in connection with a Change in Control (as such term is defined in the Omnibus Plan), take-over bid, reverse takeover or other similar transaction.

The aggregate number of Awards which may be granted to any one Participant that is a consultant of the Corporation in any 12-month period must not exceed 2% of the issued Common Shares calculated at the first such grant date. In addition, the aggregate number of Options granted to all persons retained to provide investor relations activities must not exceed 2% of the issued Common Shares in any 12-month period calculated at the first such grant date (and including any Participant that performs investor relations activities or whose role or duties primarily consist of investor relations activities) and any such Options granted to any person retained to provide investor relations activities must vest in a period of not less than 12 months from the date of grant of the Award and with no more than 25% of the Options vesting in any three month period notwithstanding any other provision of the Omnibus Plan. The maximum aggregate number of Common Shares that are issuable pursuant to all Awards granted or issued to Insiders (as such term is defined in the Omnibus Plan), as a group, must not exceed 10% of the issued and outstanding Common Shares at any point in time, unless the Corporation has obtained the requisite disinterested Shareholder approval. The maximum aggregate number of Common Shares that are issuable pursuant to all Awards granted or issued in any 12-month period to Insiders, as a group, must not exceed 10% of the issued and outstanding Common Shares, calculated as at the date any Award is granted or issued to any Insider, unless the Corporation has obtained the requisite disinterested Shareholder approval. The maximum aggregate number of Common Shares issuable pursuant to Awards granted to any one Participant in any 12-month period must not exceed 5% of the issued and outstanding Common Shares, calculated on the date the Award is granted or issued to the Participant, unless the Corporation has obtained the requisite disinterested Shareholder approval. Participants who provide investor relations activities may not receive any Awards other than Options.

As at October 31, 2024, the Corporation had issued an aggregate total of 3,769,199 Awards outstanding under the Omnibus Plan, comprised of 3,080,452 Options and 687,747 RSUs and a total of 8,849,535 Common Shares remained authorized for issuance under the Omnibus Plan.

EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS AND TERMINATION AND CHANGE OF CONTROL BENEFITS

Other than as provided for at common law and as disclosed below, (i) there is no agreement or arrangement that provides for payments to the Named Executive Officers or directors at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Corporation or a change in the Named Executive Officers' or directors' responsibilities and (ii) there are no contracts, agreements, plans or arrangements that provide for payments to a Named Executive Officer or director at, following or in connection with respect to change of control of the Corporation, or severance, termination or constructive dismissal of or a change in a Named Executive Officer's or director's responsibilities.

Harkirat (Raj) Grover – President, CEO and Director

Pursuant to an executive employment agreement, effective January 1, 2019, between the Corporation and Harkirat (Raj) Grover (the " **Grover Agreement**"), Mr. Grover may terminate his employment with the Corporation for any reason by giving a minimum of 120 days written notice to the Corporation. In the event the Corporation chooses to waive the 120-day written notice period, in whole or in part, Mr. Grover is entitled to receive pay in lieu of notice for the remainder of the notice period, which was not worked, paid based solely on his base salary. The Grover Agreement also provides that the Corporation may terminate Mr. Grover's employment without cause by payment of a lump sum equal to the greater of: (i) two times the sum of Mr. Grover's annual base salary, annual value of perquisites and annualized value of benefit plans; and (ii) the value of one and one half months of Mr. Grover's annual base salary for each complete year of service from the commencement of Mr. Grover's employment as President of Smoker's Corner (January 1, 2010), to a maximum of 36 months, and two times the sum of the annual value of perquisites and annualized value of benefit plans. In 2021, the Grover Agreement was amended such that provisions for severance upon a change of control and termination without cause were updated. In the event of termination upon a change of control, Mr. Grover is entitled to be paid a lumpsum payment equal to 24 months of his then base salary and in the event of termination without cause, Mr. Grover is entitled to be paid a lumpsum payment equal to 24 months of his then base salary. In addition, all vested, but granted Options will become immediately vested. For illustration purposes, assuming that (i) Mr. Grover's employment is terminated without notice by the Corporation, (ii) Mr. Grover's annual base salary, and annual value of perquisites and annualized value of benefit plans is $750,000 and $87,585 respectively, and (iii) pursuant to the Grover Agreement, Mr. Grover is entitled to the value of one and one half months of Mr. Grover's annual base salary for each complete year of service from the commencement of Mr. Grover's employment as President of Smoker's Corner (January 1, 2010), to a maximum of 36 months, and two times the sum of the annual value of perquisites and annualized value of benefit plans at the time of such termination, the Corporation estimates that Mr. Grover may be entitled to a lump sum payment of approximately $1,581,420.

Mayank Mahajan – CFO

Pursuant to a consulting agreement with Mayank Mahajan effective August 11, 2024, the Corporation has no obligation to pay a termination payment or change of control payment to Mr. Mahajan, other than amounts earned but unpaid at the time of termination.

Andy Palalas – Chief Marketing Officer

Pursuant to an executive employment agreement, effective August 10, 2018, between the Corporation and Andy Palalas (the " **Palalas Agreement**"), Mr. Palalas' employment with the Corporation may terminate for any reason by giving a minimum of 60 days written notice by the Corporation. In the event the Corporation chooses to waive the 60-day written notice period, in whole or in part, Mr. Palalas is entitled to receive pay in lieu of notice for the remainder of the notice period, paid solely based on his base salary. In 2021, the Palalas Agreement was amended such that provisions for severance upon a change of control and termination without cause were updated. In the event of termination upon a change of control, Mr. Palalas is entitled to be paid a lumpsum payment equal to 12 months of his then base salary and in the event of termination without cause, Mr. Palalas is entitled to be paid a lumpsum payment equal to 12 months of his then base salary. The final payment would also include all accrued but unpaid base salary, vacation pay, and expenses properly incurred in the carrying out of his duties to the date of termination less required withholdings. In addition, all vested, but granted Options will become immediately vested.

Aman Sood – Chief Operating Officer

Pursuant to an executive employment agreement, effective March 21, 2021, between the Corporation and Aman Sood (the " **Sood Agreement**"), Mr. Sood's employment with the Corporation may terminate for any reason by giving a minimum of one month per year of service up to a maximum of 24 months. In the event the Corporation chooses to waive the written notice period, in whole or in part, Mr. Sood is entitled to receive pay in lieu of notice for the remainder of the notice period, paid solely based on his base salary. Subsequently, the Sood Agreement was amended such that provisions for severance upon a change of control and termination without cause were updated. In the event of termination upon a change of control, Mr. Sood is entitled to be paid a lumpsum payment equal to 18 months of his then base salary and in the event of termination without cause, Mr. Sood is entitled to be paid a lumpsum payment equal to 12 months of his then base salary. The final payment would also include all accrued but unpaid base salary, vacation pay and expenses properly incurred in the carrying out of his duties to the date of termination less required withholdings. In addition, all vested, but granted Options will become immediately vested.

Omar Khan – Chief Communications and Public Affairs Officer

Pursuant to an executive employment agreement, effective January 11, 2023 between the Corporation and Omar Yar Khan (the " **Khan Agreement**"), Mr. Khan's employment with the Corporation may terminate without cause by giving a minimum of 12 months written notice by the Corporation. In the event the Corporation chooses to waive the 12 month written notice period, in whole or in part, Mr. Khan is entitled to receive pay in lieu of notice for the remainder of the notice period paid solely based on his base salary.

PENSION DISCLOSURE

The Company does not have a pension plan or any other plan that provides for payments or benefits at, following or in connection with retirement and is not currently providing a pension to any directors of the Corporation or Named Executive Officers. The Company does not have a deferred compensation plan.

INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR

The following table sets forth information with respect to the value of Awards granted pursuant to the Omnibus Plan and Predecessor Plans to the Named Executive Officers that vested during the year ended October 31, 2024:

Name and Position	Option-Based Awards – Value vested during year ($)	Share-Based Awards – Value Vested During Year ($)	Non-Equity Incentive Plan Compensation ($)
Harkirat (Raj) Grover *President, CEO & Director*	609,966	796,422	Nil
Mayank Mahajan *CFO*	6,090	Nil	Nil
Sergio Patino *CFO (Former)*	35,793	Nil	Nil
Andy Palalas *Chief Marketing Officer*	101,661	23,560	Nil
Aman Sood *Chief Operating Officer*	79,459	37,872	Nil
Omar Khan *Chief Communications and Public Affairs Officer*	75,623	16,906	Nil

DIRECTOR COMPENSATION

Compensation of Directors

Our directors' compensation program is designed to attract and retain the most qualified individuals to serve on the Board. The Board, through the Compensation Committee, will be responsible for reviewing and approving any changes to the directors' compensation arrangements. Director compensation is structured to recognize Directors for their skills, knowledge, experience and attention in overseeing the governance of the Corporation, and to align with Shareholders' interests. The Compensation Committee reviews Director compensation and recommends any changes to the Board to ensure that Director compensation is competitive. In making its recommendation, the Compensation Committee considers:

- The level of compensation required to fairly reflect the risks and responsibilities of serving as a Director; and
- The alignment of the interests of Directors and Shareholders by setting the retainers within a reasonable and competitive range of the Corporation's Peer Group.

In consideration for serving on the Board, each Director that is not an employee is paid an annual cash retainer and an annual equity retainer, and is reimbursed for their reasonable out-of-pocket expenses incurred while serving as Directors.

In the financial year October 31, 2024, non-employee Directors of the Corporation were entitled to be paid as members of the Board, and, if applicable, as members of any committee of the Board.

The Company does not provide a meeting fee for Board members. The total retainer is deemed to be full payment for the role of Director. An exception to this approach would be made in the event of a special transaction or other special circumstance that would require more meetings than are typically required.

The equity retainers are paid in stock options and RSUs on an annual basis. The cash retainers are paid on a quarterly basis.

The following table sets forth all compensation to the non-Named Executive Officer directors during the year ended October 31, 2024:

Name	Fees Earned ($)	Share-Based Awards ($)[1]	Option- Based Awards ($)	Annual Incentive Plans ($)	Pension Value ($)	All Other Compensation ($)[2]	Total Compensation ($)
Nitin Kaushal	125,000	123,828	Nil	Nil	Nil	8,362	257,190
Arthur Kwan	105,000	123,828	Nil	Nil	Nil	Nil	228,828
Andrea Elliott	120,000	123,828	Nil	Nil	Nil	1,647	245,475
Christian Sinclair	100,000	123,828	Nil	Nil	Nil	Nil	223,828

Notes:

1. Share-Based Awards consist of RSU issued in the period
2. All other compensation consists of expense reimbursements for travel other expenses incurred by Officers on behalf of the company to attend required meetings

See "*Director Compensation - Outstanding Option-Based and Share-Based Awards*" below for disclosure of outstanding Awards held by the directors who were not also a Named Executive Officers as at October 31, 2024.

DIRECTOR COMPENSATION – OUTSTANDING OPTION-BASED AND SHARE-BASED AWARDS

The following table sets forth information with respect to the Awards granted pursuant to the Omnibus Plan and Predecessor Plans to the non-Named Executive Officer directors that were outstanding as of October 31, 2024:

	Option-Based Awards				Share-Based Awards		
Name	**Number of Securities Underlying Unexercised Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Value of unexercised in-the-money Options ($)[1]**	**Number of Shares or Units of Shares that have not vested (#)**	**Market Value or payout value of Share-Based Awards that have not vested ($)**	**Market value or payout value of vested Share-Based Awards not paid out or distributed ($)**
Nitin Kaushal	N/A 141,667	N/A 2.75	N/A Sept 29 2026	N/A 164,334	41,139 N/A	160,853 N/A	Nil N/A
Arthur Kwan	N/A 125,000	N/A 2.75	N/A Sept 29 2026	N/A 145,000	41,139 N/A	160,853 N/A	Nil N/A
Andrea Elliott	N/A 37,500	N/A 2.75	N/A Sept 29 2026	N/A 43,500	41,139 N/A	160,853 N/A	Nil N/A
Christian Sinclair	N/A 87,501	N/A 2.75	N/A Sept 29 2026	N/A 101,501	41,139 N/A	160,853 N/A	Nil N/A

Notes:

1. The value of unexercised in-the-money options is calculated by multiplying the number of outstanding options with an exercise price below market price (i.e., options in the money) by the delta between the market value at October 31, 2024 less the exercise price.
2. Market Value or payout value of Share-Based Awards that have not vested, is calculated by multiplying the number of unvested Share-Based Awards by the market value as of October 31, 2024.

DIRECTOR COMPENSATION – INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR

The following table sets forth information with respect to the value of Awards granted pursuant to the Omnibus Plan and Predecessor Plans to the non-Named Executive Officer directors that vested during the year ended October 31, 2024:

Name	Option-Based Awards – Value vested during year ($)	Share-Based Awards – Value Vested During Year ($)	Non-Equity Incentive Plan Compensation ($)
Nitin Kaushal	96,013	91,328	Nil
Arthur Kwan	84,718	91,328	Nil
Andrea Elliott	25,415	96,706	Nil
Christian Sinclair	59,303	91,328	Nil

SCHEDULE "C" AUDIT COMMITTEE CHARTER

1. PURPOSE

The Audit Committee (the "**Committee**") shall be established by resolution of the board of directors (the " **Board**") of High Tide Inc., a corporation existing under the laws of Alberta (the "**Corporation**").

The Committee is responsible for:

1. Assisting the Board in fulfilling its oversight responsibilities as they relate to the Corporation's accounting policies and internal controls, financial reporting practices and legal and regulatory compliance, including, among other things:

    (a) Monitoring the integrity of the Corporation's financial statements, corporate accounting and financial reporting processes and financial information that will be provided to shareholders and others;

    (b) Reviewing the Corporation's compliance with certain legal and regulatory requirements;

    (c) Evaluating the independent auditors' qualifications and independence; and

    (d) Monitoring the performance of the Corporation's internal audit function and the Corporation's independent auditors as well as any other public accounting firm engaged to perform other audit, review or attest services.

2. Providing an open avenue of communication among the independent auditors, financial and senior management and the Board; and

3. Annually evaluating the performance of the Committee.

While the Committee has the duties and responsibilities set forth in this Charter, the role of the Committee is oversight. The Committee is not responsible for planning or conducting the audit or determining whether the Corporation's financial statements are complete and accurate and in accordance with applicable accounting rules. Such activities are the responsibility of the Corporation's independent auditors and management. The Committee has direct responsibility for the appointment, compensation, oversight and replacement, if necessary, of the independent auditors, including the resolution of disagreements between management and the independent auditors regarding financial reporting, and any other registered public accounting firm with respect to which the Committee is required to have such responsibility.

The Committee also oversees the activities of the internal audit function, including hiring and performance management in respect of the most senior internal audit executive, who maintains a direct reporting relationship with the Chair of the Committee ("**Chair**").

The Committee and each of its members shall be entitled to rely on:

1. The integrity of those persons and organizations within and outside of the Corporation from which it receives information;

2. The accuracy of the financial and other information provided to the Committee by such persons or organizations absent actual knowledge to the contrary (which shall be promptly reported to the Board);

3. Representations made by management as to any audit and non-audit services provided by the independent auditors to the Corporation.

2. COMPOSITION AND QUALIFICATIONS

The Committee shall be appointed by the Board and shall be comprised of at least three directors (as determined from time to time by the Board), one of whom shall be appointed by the Board as Chair. If a Chair is not so appointed, the members of the Committee may elect a Chair by majority vote. Committee members may be removed by the Board in its discretion.

Unless otherwise permitted by applicable phase-in rules and exemptions, each member of the Committee shall meet the 'independence' requirements of Section 10A-3 of the Securities Exchange Act of 1934, as amended, the National Association of Securities Dealers Automated Quotations ("**NASDAQ**") and all other applicable laws and regulations. The Committee may avail itself of any phase-in compliance periods available to the Corporation that are afforded by applicable rules of the NASDAQ, and all other applicable laws and regulations. The Committee may also avail itself of exemptions available to U.S. listed issuers under National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators.

All members of the Committee must be able to read and understand financial statements, including a balance sheet, income statement and cash flow statement. All members of the Committee shall have a working familiarity with basic finance and accounting practices, and at least one member of the Committee shall, be an "audit committee financial expert" as defined by the Securities and Exchange Commission or otherwise have accounting or related financial management expertise as interpreted by the Board in its business judgment.

A Committee member invited to sit on another public company's audit committee must notify the Board. If a Committee member or proposed Committee member simultaneously serves on the audit committees of two other public companies, the Board must determine whether or not such simultaneous service would impair the ability of such member to effectively serve on the Committee.

No member of the Committee shall receive from the Corporation or any of its affiliates any compensation other than the fees to which he or she is entitled as a director of the Corporation or a member or chair of a committee of the Board. Such fees may be paid in cash or shares, options or other in-kind consideration ordinarily available to directors.

3. MEETINGS

The Committee shall meet as frequently as the Chair deems appropriate subject to the provisions of this Charter, which be at least quarterly. The Committee may meet with the independent auditors, internal auditors, and management separately, to the extent the Committee deems necessary and appropriate.

A. Frequency

The Committee shall hold regularly scheduled meetings at least quarterly and such special meetings as circumstances dictate. The Chair, any member of the Committee, the independent external auditors, the Chair of the Board, Chief Executive Officer ("**CEO**") or Chief Financial Officer ("**CFO**") may call a meeting of the Committee by notifying the Corporate Secretary, who will notify the members of the Committee.

B. Agenda and Notice

The Chair shall establish the meeting dates and the meeting agenda. The Chair or Corporate Secretary shall send proper notice of each Committee meeting and information concerning the business to be conducted at the meeting, to the extent practical, to each member prior to each meeting.

Any written material provided to the Committee shall be appropriately balanced (i.e. relevant and concise) and shall be distributed in advance of the respective meeting with sufficient time to allow Committee members to review and understand the information.

C. Holding and Recording Meetings

Committee meetings may be held in person or telephonically or by video conference. The Committee shall keep written minutes of its meetings and submit such minutes to the Board.

D. Quorum

A majority of the members of the Committee shall constitute a quorum.

E. Executive Sessions

The Committee will meet periodically (not less than annually) in separate executive sessions with each of the CFO or any other executive officer, the principal accounting officer or the senior internal auditing executive (or any other personnel responsible for the internal audit function), and the independent auditors.

4. COMPENSATION

The compensation of Committee members shall be determined by the Board or a subcommittee of the Board.

5. RESPONSIBILITIES OF THE COMMITTEE

A. System of Financial Controls

The Committee shall oversee the process by which management shall design, implement, amend, maintain, and enforce a comprehensive system of financial controls (including the right internal and external people and resources, policies, processes and enforcement) aimed at ensuring the integrity and compliance of the Corporation's books and records with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board, and sound business practices, as well as protecting the value of the Corporation's assets and safeguarding the credibility of its brand, employees, management team, Board, and shareholders.

System of financial controls will embody the adoption of best practices in financial controls and foster honesty, integrity, accuracy, and transparency in all aspects of the Corporation. Best practices include but are not limited to: setting the right tone at the top; active review of business performance by executive management, with regular reporting to and oversight by the Board; an accurate, stable and reliable general ledger; a robust internal audit function; unambiguous compliance with IFRS; and full transparency and ongoing dialogue with the Board, management and external auditors.

B. Annual Audit Review

The Committee shall review and discuss the annual audited financial statements including the independent auditors' audit and audit report thereon, and the annual management's discussion and analysis of financial condition and results of operations of the Corporation with management and the independent auditors. In connection with such review, the Committee will:

1. Review the scope of the audit, the audit plan and audit procedures utilized;

2. Review with the independent auditors any audit problems or difficulties encountered during their audit, including any change in the scope of the planned audit, any restrictions placed on the scope of the audit or access to requested information, and any significant disagreements with management, and management's response to such problems or difficulties;

3. Resolve any differences in financial reporting between management and the independent auditors;

4. Review with management, internal auditors, and independent auditors, the adequacy of the Corporation's internal controls, including information systems controls and security and bookkeeping controls and any significant findings and recommendations with respect to such controls;

5. Review reports required to be submitted by the independent auditors concerning:

    (a) All critical accounting policies and practices used in the preparation of the Corporation's financial statements;

    (b) All alternative treatments of financial information within IFRS that have been discussed with management, ramifications of such alternatives, and the accounting treatment preferred by the independent auditors; and

    (c) Any other material written communications between the independent auditors and management, such as any management letter or schedule of unadjusted differences.

6. Review and discuss:

    (a) The integrity of the annual audited financial statements and quarterly financial statements with management and the independent auditors, including the notes thereto and all matters required by applicable auditing standards, and the written disclosures required by applicable auditing standards regarding the independent auditors' independence;

    (b) Major issues regarding accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles, and major issues as to the adequacy

of the Corporation's internal controls and any special audit steps adopted in light of material control deficiencies; and

(c) Analyses prepared by management or the independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analysis of the effects of alternative IFRS methods on the financial statements and the effects of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Corporation.

7. Inquire about and review with management and the independent auditors any significant risks or exposures faced by the Corporation and discuss with management the steps taken to minimize such risk or exposure. Such risks and exposures include, but are not limited to, threatened and pending litigation, claims against the Corporation, tax matters, regulatory compliance and correspondence from regulatory authorities, and environmental exposure; and

8. Discuss policies and procedures concerning earnings press releases and review the type and presentation of information to be included in earnings press releases (paying particular attention to any use of "pro forma" and "adjusted" or other non-IFRS information), as well as financial information and earnings guidance provided to analysts and rating agencies.

C. Quarterly Reviews

Review and discuss the quarterly financial statements and the quarterly management's discussion and analysis of financial condition and results of operations of the Corporation with management and the internal auditors, and the independent auditors, together with the independent auditors' review thereof pursuant to professional standards and procedures for conducting such reviews, as established by IFRS and applicable securities laws. In connection with the quarterly reviews, the Committee shall inquire about and review with management and the independent auditors any significant risks or exposures faced by the Corporation and discuss with management the steps taken to minimize such risk or exposure.

D. Other Financial Information

Review and discuss with management, where appropriate, financial information contained in any prospectuses, annual information forms and Form 40-F, annual reports to shareholders, management proxy circulars, material change disclosure and Form 6-K of a financial nature and similar disclosure and other documents prior to the filing or public disclosure of such documents or information.

E. Oversight of Independent External Auditors

The Corporation's independent auditors shall report directly to and are ultimately accountable to the Committee. In connection with its oversight of the performance and independence of the independent auditors, the Committee will:

1. Have the sole authority and direct responsibility to appoint, retain, compensate, oversee and replace (subject to shareholder approval, if deemed advisable by the Board or if required under applicable law) the independent auditors;

2. Have authority to approve the engagement letter and all audit, audit-related, tax and other permissible non-audit services proposed to be performed by the independent auditors and the related fees for such;

3. Obtain confirmation and assurance as to the independent auditors' independence, including ensuring that they submit on a periodic basis (not less than annually) to the Committee a formal written statement delineating all relationships between the independent auditors and Corporation. The Committee shall actively engage in a dialogue with the independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditors and shall take appropriate action in response to the independent auditors' report to satisfy itself of their independence;

4. At least annually, obtain and review a report by the independent auditors describing the firm's internal quality-control procedures, any material issues raised by the most recent internal quality-control review or peer review of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues;

5. Meet with the independent auditors prior to the annual audit to discuss planning and staffing of the audit;

6. Review and evaluate the performance of the independent auditors, as the basis for a decision to reappoint or replace the independent auditors;

7. Set clear hiring policies for employees or former employees of the independent auditors, including but not limited to, as required by all applicable laws and listing rules; and

8. Assure regular rotation of the lead audit partner and consider whether rotation of the independent auditors is required to ensure independence.

F. Oversight of Internal Audit

In connection with its oversight responsibilities, the Committee shall have authority over and direct responsibility for the internal audit function at the Corporation at all times. In the Committee's discretion, the internal audit function or parts thereof may be outsourced to a third-party vendor, provided that such vendor follows the standards and guidelines established by the Committee. The Head of Internal Audit (or the third-party vendor providing internal audit function support, if applicable) will report directly to the Committee or its designee. The Head of Internal Audit or relationship manager of the vendor providing internal audit function support, as applicable, shall report at least annually to the Committee regarding the internal audit function's organizational structure and personnel.

In overseeing internal audit, the Committee will:

1. Review the appointment or replacement of the senior internal auditing executive, if any, or, if outsourced, the third-party vendor providing internal audit services;

2. Review, in consultation with management, the independent auditors and senior internal auditing executive, if any, the plan and scope of internal audit activities;

3. Review internal audit activities, budget and staffing; and

4. Review significant reports to management prepared by the internal auditing department and management's responses to such reports.

G. Disclosure Controls & Procedures ("DC&P") and Internal Controls over Financial Reporting ("ICFR")

1. Monitor and review the Corporation's disclosure policy and the mandate of its nominating and corporate governance committee (the "Nominating and Corporate Governance Committee"), on an annual basis;

2. Receive and review the quarterly report of the Nominating and Corporate Governance Committee on its activities for the quarter;

3. On a quarterly basis, review management's assessment of the design effectiveness of the Corporation's DC&P and ICFR including any significant control deficiencies identified and the related remediation

4. Review management's assessment of the operating effectiveness of the Corporation's DC&P (quarterly) and ICFR (annually) including any significant control deficiencies identified and the related remediation plans;

5. Review and discuss any fraud or alleged fraud involving management or other employees who have a role in Corporation's ICFR and the related corrective and disciplinary actions to be taken;

6. Discuss with management any significant changes in the ICFR that are disclosed, or considered for disclosure on a quarterly basis; and

7. Review and discuss with the CEO and CFO the procedures undertaken in connection with the CEO and CFO's certifications for the annual and interim filings with the securities commissions.

H. Risk Assessment and Risk Management

The Committee shall discuss the Corporation's major business, operational, and financial risk exposures and the guidelines, policies and practices regarding risk assessment and risk management, including derivative policies, insurance programs and steps management has taken to monitor and control major business, operational and financial risks.

I. Ethical Standards

The Committee shall establish, maintain and oversee the Corporation's code of business conduct and ethics (the " **Code**"), a copy of which is attached hereto as Appendix I to Schedule "B". The Committee shall be responsible for reviewing and evaluating the Code periodically and will recommend any necessary or appropriate changes thereto to the Board for consideration. The Committee shall also assist the Board with the monitoring of compliance with the Code and consider any waivers of the Code (other than waivers applicable to the directors or executive officers, which shall be subject to review by the Board as a whole).

J. Related Party Transactions

The Committee shall review and approve related-party transactions or recommend related-party transactions for review by independent members of the Board.

K. Submission of Complaints

The Committee shall establish procedures for receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; the confidential, anonymous submission by directors, officers, employees, consultants and contractors of the Corporation of concerns regarding questionable accounting or auditing matters and the investigation of such matters with appropriate follow-up actions.

L. Legal Compliance

On at least an annual basis, the Committee shall review with the Corporation's legal counsel and management, all legal and regulatory matters and litigation, claims or contingencies, including tax assessments, licence or concession defaults or notifications, health and safety violations or environmental issues, that could have a material effect upon the financial position of the Corporation, and the manner in which these matters may be, or have been, disclosed in the financial statements.

M. Regulatory Developments

The Committee shall monitor and provide reports to the Board with respect to developments in accounting rules and practices, income tax laws and regulations, and other regulatory requirements that affect matters within the scope of the Committee's authority and responsibilities.

N. Other Responsibilities

The Committee shall perform such other duties as may be required by law or requested by the Board or deemed appropriate by the Committee. The Committee shall discharge its responsibilities, and shall assess the information provided to the Committee, in accordance with its business judgment. The Committee shall have the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it shall deem appropriate.

6. COMMITTEE ADMINISTRATIVE MATTERS

A. Independent Advisors

The Committee shall have authority to engage, provide appropriate funding for and cause the Corporation to pay the compensation to obtain advice and assistance from outside legal, accounting or other advisors to carry out its responsibilities.

B. Funding

The Corporation shall provide appropriate funding, as determined by the Committee, for payment of compensation to the independent auditors or any other registered public accounting firm engaged for the purpose of rendering or issuing an audit report or performing

other audit, review or attest services for the Corporation; to any other advisors engaged by the Committee; and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

C. Access to Records and Personnel

The Committee shall have full access to any relevant records of the Corporation that it deems necessary to carry out its responsibilities. The Committee may request that any officer or other employee of the Corporation or any advisor to the Corporation meet with members of the Committee or its advisors, as it deems necessary to carry out its responsibilities.

D. Reports to Board

The Committee shall report regularly to the Board with respect to Committee activities and its conclusions with respect to the independent auditors, with recommendations to the Board as the Committee deems appropriate.

E. Annual Meeting Planner

Prior to the beginning of a fiscal year, the Committee shall submit an annual planner for the meetings to be held during the upcoming fiscal year, for review and approval by the Board to ensure compliance with the requirements of this Charter.

F. Education and Orientation

Members of the Committee shall be provided with appropriate and timely training to enhance their understanding of auditing, accounting, regulatory and industry issues applicable to the Corporation.

New Committee members shall be provided with an orientation program to educate them on the Corporation's business, their responsibilities and the Corporation's financial reporting and accounting practices.

G. Review of This Charter

The Committee shall review and reassess annually the adequacy of this Charter and recommend any proposed changes to the Board.

H. Evaluation of Committee

The Committee is responsible for developing and conducting an annual self-assessment of its performance. The Committee shall report to the full Board on the results of its assessment each year and shall make any appropriate recommendations to further enhance the Committee's performance.

This Charter was approved by the Board on June 21, 2021.

EXHIBIT 99.4
CERTIFICATION

I, Harkirat (Raj) Grover, Chief Executive Officer High Tide Inc., certify that;

1. I have reviewed this Annual Report on Form 40-F of High Tide Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles:

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 29, 2025

By: /s/ ***Harkirat (Raj) Grover***
Name: **Harkirat (Raj) Grover**
Title: **Chief Executive Officer**

EXHIBIT 99.5
CERTIFICATION

I, Mayank Mahajan, Chief Financial Officer of High Tide Inc., certify that;

1. I have reviewed this Annual Report on Form 40-F of High Tide Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this Annual Report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles:

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 29, 2025

By: /s/***Mayank Mahajan***
Name: Mayank Mahajan
Title: **Chief Financial Officer**

EXHIBIT 99.6

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Harkirat (Raj) Grover, Chief Executive Officer of High Tide Inc. (the "Company"), hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

a. the Annual Report on Form 40-F of the Company for the fiscal year ended October 31, 2023 (the "Annual Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

b. the information contained in the Annual Report fairly presents in all material respects the financial condition and results of operations of the Company.

Date: January 29, 2025

By:

/s/Harkirat (Raj) Grover
Name: **Harkirat (Raj) Grover**
Title: **Chief Executive Officer**

EXHIBIT 99.7

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Mayank Mahajan, Chief Financial Officer of High Tide Inc. (the "Company"), hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

a. the Annual Report on Form 40-F of the Company for the fiscal year ended October 31, 2023 (the "Annual Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

b. the information contained in the Annual Report fairly presents in all material respects the financial condition and results of operations of the Company.

Date: January 29, 2025

By:

/s/Mayank Mahajan
Name: **Mayank Mahajan**
Title: **Chief Financial Officer**

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to (i) the reference of our Firm under the caption “Experts”, (ii) the use herein of our report dated [*], 2025, with respect to the consolidated statements of financial position as at October 31, 2024 and 2023 and the consolidated statements of loss and comprehensive loss, consolidated statements of changes in equity and consolidated statements of cash flows for each of the years in the two-year period ended October 31, 2024, included in this Annual Report on Form 40-F, and (iii) the incorporation by reference of our report in the Registration Statement on Form F-10 (No. 333-259616) pertaining to the registration of Debt and Equity Securities of High Tide Inc.

Calgary, Alberta
January 29, 2025

[/s/] Ernst & Young LLP
Chartered Professional Accountants