



NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

and

MANAGEMENT INFORMATION CIRCULAR

of

FLUENT CORP.

for the

ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JULY 28, 2026

with respect to a proposed

PLAN OF ARRANGEMENT

involving

FLUENT CORP. AND VIREO GROWTH INC.

DATED AS OF JUNE 12, 2026

TAKE ACTION AND VOTE TODAY

These materials are important and require your immediate attention. The shareholders of FLUENT Corp. ("FLUENT") are required to make important decisions. If you are in doubt as to how to make such decisions, please contact your financial, legal, tax or other professional advisors.

Shareholders of FLUENT that have any questions or require more information with regard to voting their securities may contact FLUENT's transfer agent, Odyssey Trust Company, at 1(888) 290-1175 toll free in North America, or at 1(587) 885-0960 outside of North America, or by e-mail at shareholders@odysseytrust.com.

No securities regulatory authority or stock exchange in Canada or elsewhere has expressed an opinion about, or passed upon the fairness or merits of, the transactions described in this document, the securities being offered pursuant to such transactions or the adequacy of the information contained in this document and it is an offense to claim otherwise. No securities regulatory authority or stock exchange in Canada or elsewhere has approved or registered this document, and this document is not required to be registered with a securities regulatory authority or stock exchange in any such jurisdiction.



LETTER TO SHAREHOLDERS

June 12, 2026

Dear Shareholders,

This is an exciting time to be a shareholder of FLUENT Corp. ("**FLUENT**"). We are pleased to provide in the accompanying Notice of Annual General and Special Meeting of Shareholders of FLUENT and the management information circular of FLUENT dated June 12, 2026 (the "**Circular**") details surrounding an upcoming annual general and special meeting (the "**Meeting**") which we believe will provide holders (the "**Shareholders**") of common shares (the "**Common Shares**") and proportionate voting shares (the "**Proportionate Voting Shares**", together with the Common Shares the "**Voting Shares**") with exposure to a multi-state operator in the U.S. cannabis market, with strong operating expertise and significant potential growth opportunities in the years ahead.

The board of directors of FLUENT (the "**Board**") cordially invites you to attend the Meeting to be held at the offices of Cassels Brock & Blackwell LLP, Suite 3200, Bay Adelaide Centre – North Tower, 40 Temperance St., Toronto, Ontario on July 28, 2026, at 9:30 a.m. (EDT).

The Transaction

At the Meeting, the Shareholders will be asked to consider, among other things, a resolution (the "**Arrangement Resolution**") regarding a transaction (the "**Arrangement**") whereby all of the issued and outstanding Common Shares (after conversion of all (i) Proportionate Voting Shares and (ii) non-voting, non-participating exchangeable shares of FLUENT (the "**Non-Voting Shares**" together with the Common Shares and the Proportionate Voting Shares, the "**FLUENT Shares**")) will be acquired by Vireo Growth Inc. ("**Vireo**") in exchange for 0.002351197 of a subordinate voting share of Vireo (each whole share, a "**Vireo Share**") for each Common Share held (the "**Consideration**").

Registered Shareholders (as defined below) will also be provided with a letter of transmittal explaining how to exchange their FLUENT Shares for Vireo Shares. Shareholders whose FLUENT Shares are registered in the name of a broker, dealer, bank, trust company or other nominee must contact their nominee to deposit their FLUENT Shares under the Arrangement.

Recommendation of the Special Committee

The special committee of independent directors of the Board (the "**Special Committee**"), having undertaken a thorough review of, and having carefully considered the terms of the Arrangement and the arrangement agreement dated April 29, 2026, as amended on June 8, 2026, between FLUENT and Vireo (as amended, supplemented or otherwise modified from time to time, the "**Arrangement Agreement**"), and after consulting with representatives of FLUENT's senior management team, its financial and legal advisors, including having received and taken into account the fairness opinion received from ATB Cormark Capital Markets and such other matters as it considered necessary and relevant, including the factors set out below and in the accompanying Circular under the heading "*The Arrangement – Reasons for the Recommendation of the Special Committee and the Board*", unanimously determined that the Arrangement and entering into the Arrangement Agreement are in the best interests of FLUENT and that the Arrangement is fair to Shareholders. The Special Committee recommended to the Board to authorize

FLUENT to enter into the Arrangement Agreement and all related agreements and to recommend that Shareholders vote in favour of the Arrangement Resolution.

Recommendation of the Board

The Board, having undertaken a thorough review of, and having carefully considered the terms of the Arrangement and the Arrangement Agreement, and after consultation with representatives of FLUENT's senior management, its financial and legal advisors, having received the unanimous recommendation of the Special Committee, following receipt of the fairness opinion from ATB Cormark Capital Markets and such other matters as it considered necessary and relevant, including the factors set out below and in the accompanying Circular under the heading "*The Arrangement – Reasons for the Recommendation of the Special Committee and the Board*", unanimously (with interested directors abstaining from voting) determined that the Arrangement and entering into the Arrangement Agreement are in the best interests of FLUENT and are fair to the Shareholders, approved the Arrangement and authorized FLUENT to enter into the Arrangement Agreement and all related agreements.

The Board unanimously recommends that Shareholders vote IN FAVOUR of the Arrangement Resolution.

Reasons for the Recommendation of the Special Committee and the Board

1. **Strategic Review:** The Arrangement is the result of a comprehensive strategic review process conducted with the assistance of independent financial advisors and legal advisors and overseen by the Special Committee, which included a review of, among other things, prevailing market conditions as well as potential alternatives to maximize shareholder value while negotiating a transaction with Vireo.
2. **Diversification across U.S. Markets and Scale in Florida:** Following the completion of the Arrangement, FLUENT will gain exposure to a larger multi-state operator currently operating in 10 states across the U.S. Following completion of the Arrangement, Vireo is expected to deepen its presence in Florida with approximately 74 stores and approximately 144,000 square feet of combined cultivation and production canopy, creating a leading operator with scale in Florida's medical cannabis market.
3. **Operational Efficiencies:** Cost synergy opportunities are expected to be realized from anticipated cultivation, processing and operating efficiencies, corporate integration and eliminating duplicative public company costs.
4. **Enhancing Shareholder Value:** The Special Committee and the Board considered FLUENT's existing levels of indebtedness, liquidity position, and that, in an increasingly competitive industry, FLUENT will require additional funding in the future from the debt or equity markets to finance its business and operations. The Special Committee and the Board also considered the challenges and risks with respect to securing such funding in a reasonable time, or in full. Following completion of the Arrangement, Shareholders will have an ownership interest in a larger entity with access to capital.
5. **Enhanced Liquidity in Dollar Terms:** Following completion of the Arrangement, Shareholders will hold Vireo Shares, and it is expected that Shareholders will be able to benefit from the stronger liquidity in dollar terms of Vireo Shares relative to Common Shares.
6. **Strong Cash Balance and Leverage Profile:** Vireo is expected to be well capitalized with a pro forma cash balance (including restricted cash) of approximately \$146 million as of March 31, 2026. This cash balance is particularly noteworthy in the industry's currently capital scarce environment. Additionally, Vireo is expected to have a low leverage profile.

7. **Fairness Opinion:** The Special Committee and the Board received a fairness opinion from ATB Cormark Capital Markets dated as of April 29, 2026, which was delivered verbally and subsequently confirmed in writing, as to the fairness to Shareholders, from a financial point of view and as of the date of the opinion, of the Consideration to be received by the Shareholders, based upon and subject to the various assumptions, limitations and qualifications set forth in such opinion, as more fully described below.
8. **Business Climate and Review of Strategic Alternatives:** After consultation on the proposed Arrangement with their respective financial and legal advisors, and after review of the current and prospective business climate in the cannabis industry and other strategic opportunities reasonably available to FLUENT, including continuation as an independent enterprise and other potential acquisitions or transactions, in each case taking into account the potential benefits, risks and uncertainties associated with those other opportunities, the Special Committee and the Board believe that the Arrangement represents FLUENT's best prospect for maximizing value for Shareholders.
9. **Support of the Board and Management Team:** The boards of directors of both companies have unanimously (with interested directors abstaining from voting) recommended support for the Arrangement. Additionally, all of the directors and members of executive management of FLUENT have entered into voting and support agreements dated April 29, 2026 (the "**Support Agreements**") pursuant to which they have agreed, among other things, to vote in favour of the Arrangement Resolution. The Support Agreements include key shareholders and relate to FLUENT Shares comprising approximately 38.3% of the issued and outstanding Common Shares (after conversion of all (i) Proportionate Voting Shares and (ii) Non-Voting Shares) as of the announcement date of the Arrangement.
10. **Arm's Length Transaction:** The Arrangement Agreement is the result of arm's length negotiations and includes terms and conditions that are reasonable in the judgment of the Special Committee and the Board.
11. **Ability to Close:** FLUENT and Vireo are committed to completing the Arrangement and have proven track records of completing their respective previously announced transactions.
12. **Superior Proposal:** Pursuant to the Arrangement Agreement, the Board remains able to respond to an unsolicited written Acquisition Proposal on the specific terms and conditions set forth in the Arrangement Agreement.
13. **Shareholder Approval:** The Arrangement Resolution must be approved by the affirmative vote of at least 66^{2/3}% of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting, voting as a single class.
14. **Court Approvals:** The Arrangement is subject to a judicial determination of the Court that the Arrangement is fair and reasonable, both procedurally and substantively, to Shareholders and other affected persons.
15. **Dissent Rights:** Registered Shareholders entitled to vote at the Meeting have the ability to exercise Dissent Rights and to receive fair value for their FLUENT Shares as determined by the Court, subject to strict compliance with all requirements applicable to the exercise of Dissent Rights.

Details of the Arrangement, which will proceed by way of a plan of arrangement under the *Business Corporations Act* (Ontario), and the issuance of the Vireo Shares in connection with the Arrangement, are described in more detail in the Circular. The Circular includes additional information to assist you in considering how to vote on the Arrangement Resolution, including risk factors relating to the completion of the Arrangement. You should carefully review and consider all of the information in the Circular, including

the documents incorporated by reference therein. If you require assistance, consult your financial, legal, tax or other professional advisors.

Support Agreements

Each of the directors and executive officers, along with certain other Shareholders have entered into Support Agreements with Vireo pursuant to which they have agreed, among other things, to vote their FLUENT Shares in favour of the Arrangement Resolution. As at April 29, 2026, such directors, executive officers and other Shareholders collectively beneficially owned or exercised control or direction over 229,850,647 Common Shares and 1,421,538 Proportionate Voting Shares (244,066,027 Common Shares after conversion of all (i) Proportionate Voting Shares and (ii) Non-Voting Shares), representing approximately 38.3% of the issued and outstanding FLUENT Shares on a non-diluted basis, assuming conversion of all (i) Proportionate Voting Shares and (ii) Non-Voting Shares.

In-Person Meeting

FLUENT is conducting the Meeting as an in-person meeting that will allow registered holders of Voting Shares ("**Registered Shareholders**") and duly appointed proxyholders (including non-registered beneficial holders of Voting Shares ("**Non-Registered Shareholders**") who have appointed themselves as proxyholders) to participate in person at the Meeting.

Only Registered Shareholders and duly appointed proxyholders (including Non-Registered Shareholders who have appointed themselves as proxyholders) will be able to attend, ask questions and vote at the Meeting, provided that they carefully follow the instructions set out in the Circular and the related proxy materials. Non-Registered Shareholders, unless they have been duly appointed as proxyholders in accordance with the procedures set out in the Circular and the related proxy materials, will only be able to attend the Meeting in person as guests. Guests may attend the Meeting in person but will not be able to ask questions or vote at the Meeting. The accompanying Circular provides important and detailed instructions about how to participate at the Meeting.

Approval Requirements

The Board has set the close of business on June 12, 2026, as the record date (the "**Record Date**") for determining the Shareholders who are entitled to receive notice of and to vote at the Meeting and any adjournment or postponement thereof. Only Registered Shareholders, or their duly appointed proxyholders, at the close of business on the Record Date will be entitled to receive notice of the Meeting and to vote on the Arrangement Resolution, the election of the directors of FLUENT for the ensuing year and the re-appointment of PKF O'Connor Davies LLP, as the auditors of FLUENT for the ensuing year and to authorize the Board to fix their remuneration. Each Shareholder is entitled to: (i) one vote for each Common Share held by such holder; and (ii) 10 votes for each Proportionate Voting Share held by such holder, in each case, as of the close of business on the Record Date.

In order for the Arrangement to proceed, the Arrangement Resolution must be approved by the affirmative vote of at least 66^{2/3}% of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting, voting as a single class. If the Arrangement Resolution is not approved by the requisite majority of Shareholders at the Meeting, the Arrangement cannot be completed.

In addition to approval by Shareholders, the Arrangement is subject to customary closing conditions for a transaction of this nature, including the receipt of required approvals from the Ontario Superior Court of Justice (*Commercial List*), the completion of all required filings with the CSE for the listing and posting for trading of the Vireo Shares to be issued in connection with the Arrangement on the CSE and the receipt of all necessary regulatory approvals, upon the terms set forth in the Arrangement Agreement. If the conditions to completion of the Arrangement are satisfied in a timely manner, the Arrangement is expected to be completed in the fourth quarter of 2026; however, it is not possible to state with certainty when or if the closing of the Arrangement will occur.

YOUR VOTE IS IMPORTANT REGARDLESS OF THE NUMBER OF VOTING SHARES YOU OWN.

Whether or not you expect to attend the Meeting, we encourage you to take the time to complete, sign, date and return the form of proxy or voting instruction form, as applicable, in accordance with the instructions set out therein so that your Voting Shares can be voted at the Meeting. See “*Information Concerning the Meeting*” in the Circular for more information.

Proxies must be submitted (in accordance with the instructions set out on the form of proxy) no later than 9:30 a.m. (EDT) on July 24, 2026, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjourned or postponed Meeting. A completed voting instruction form should be deposited in accordance with the instructions printed on the form. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting, at the Chair’s discretion, with or without notice.

If you have any questions or need additional information regarding the voting of your Voting Shares, you should contact your financial, legal, tax or other professional advisors, or contact FLUENT’s transfer agent, Odyssey Trust Company, at 1(888) 290-1175 toll free in North America, or at 1(587) 885-0960 outside of North America, or by e-mail at shareholders@odysseytrust.com.

On behalf of the Board, I would like to express our gratitude for the support that our Shareholders have demonstrated with respect to our decision to undertake this transaction.

Yours very truly,

(Signed) “*William Smith*”

William Smith
Chair of the Board
FLUENT Corp.

FLUENT CORP.
NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) and proportionate voting shares (the “**Proportionate Voting Shares**”, together with the Common Shares the “**Voting Shares**”) of FLUENT Corp. (“**FLUENT**”) will be held at the offices of Cassels Brock & Blackwell LLP, Suite 3200, Bay Adelaide Centre – North Tower, 40 Temperance St., Toronto, Ontario at 9:30 a.m. (EDT) on July 28, 2026 subject to any adjournment or postponement thereof, for the following purposes, as more particularly described in the accompanying management information circular of FLUENT dated June 12, 2026 (the “**Circular**”):

1. to receive and consider the audited consolidated financial statements of FLUENT for the financial year ended December 31, 2025, and the auditor’s report thereon (the “**Annual Financial Statements**”);
2. to elect the directors of FLUENT for the ensuing year, as more fully described in the Circular;
3. to re-appoint PKF O’Connor Davies LLP, as FLUENT’s auditor and independent registered public accounting firm for the ensuing year and to authorize the board of directors of FLUENT (the “**Board**”) to fix their remuneration;
4. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution, the full text of which is set forth in the Circular, re-approving FLUENT’s 10% “rolling” option plan, including the approval of all unallocated stock options under FLUENT’s option plan, as more particularly described in the Circular;
5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution, the full text of which is set forth in the Circular, re-approving FLUENT’s restricted share unit award plan, including the approval of all unallocated share units under FLUENT’s restricted share unit award plan, as more particularly described in the Circular;
6. to consider, pursuant to an order (the “**Interim Order**”) of the Ontario Superior Court of Justice (*Commercial List*) dated June 11, 2026, as may be amended, and, if deemed advisable, to pass, with or without variation, a special resolution (the “**Arrangement Resolution**”), the full text of which is set forth in Schedule A to the Circular, approving a statutory plan of arrangement (the “**Arrangement**”) under section 182 of the *Business Corporations Act* (Ontario) (the “**OBCA**”) involving, among others, FLUENT and Vireo Growth Inc. (“**Vireo**”), in accordance with the terms of the arrangement agreement dated April 29, 2026, as amended on June 8, 2026 between FLUENT and Vireo (as amended, supplemented or otherwise modified from time to time, the “**Arrangement Agreement**”); and
7. to transact such further and other business, including amendments to the foregoing, as may be properly brought before the Meeting or any adjournment or postponement thereof.

Specific details of the matters proposed to be put before the Meeting are set forth in the Circular which accompanies this notice of annual general and special meeting of shareholders (the “**Notice of Meeting**”). The Arrangement Agreement has been filed under FLUENT’s issuer profile on SEDAR+ at www.sedarplus.ca.

It is a condition to completion of the Arrangement that the Arrangement Resolution be approved at the Meeting. In order for the Arrangement to proceed, the Arrangement Resolution must be approved by the affirmative vote of at least 66^{2/3}% of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting, voting as a single class. If the Arrangement Resolution is not approved by the requisite majority of Shareholders at the Meeting, the Arrangement cannot be completed.

The Board unanimously recommends that Shareholders vote IN FAVOUR of the Arrangement Resolution.

The Board has set the close of business on June 12, 2026 as the record date (the “**Record Date**”) for determining the Shareholders who are entitled to receive notice of and to vote at the Meeting and any adjournment or postponement thereof. Only persons shown on the register of Shareholders (“**Registered Shareholders**”) at the close of business on the Record Date, or their duly appointed proxyholders, will be entitled to receive notice of the Meeting and to vote on the Arrangement Resolution. Each Shareholder is entitled to: (i) one vote for each Common Share held by such holder; and (ii) 10 votes for each Proportionate Voting Share held by such holder, in each case, as of the close of business on the Record Date.

FLUENT is conducting the Meeting as an in-person meeting that will allow Registered Shareholders and duly appointed proxyholders (including non-registered beneficial Shareholders (“**Non-Registered Shareholders**”) who have appointed themselves as proxyholders) to participate in person at the Meeting.

Only Registered Shareholders and duly appointed proxyholders (including Non-Registered Shareholders who have appointed themselves as proxyholders) will be able to attend, ask questions and vote at the Meeting, provided that they carefully follow the instructions set out in the Circular and the related proxy materials. Non-Registered Shareholders, unless they have been duly appointed as proxyholders in accordance with the procedures set out in the Circular and the related proxy materials, will only be able to attend the Meeting in person as guests. Guests may attend the Meeting in person but will not be able to ask questions or vote at the Meeting. The accompanying Circular provides important and detailed instructions about how to participate at the Meeting.

FLUENT strongly encourages each Shareholder to submit a form of proxy or voting instruction form in advance of the Meeting using one of the methods described below and in the Circular. See “Information Concerning the Meeting” in the Circular for more information. Registered Shareholders who are unable to attend the Meeting (or if the Meeting is adjourned or postponed, any reconvened Meeting) are requested to date, sign and return the form of proxy. To be used and acted upon at the Meeting, proxy forms must be completed and deposited at the office of FLUENT’s transfer agent at: Odyssey Trust Company (“**Odyssey**”), Attention: Proxy Department, Traders Bank Building, Suite 1100, 67 Yonge St, Toronto, Ontario M5E 1J8, by courier, by mail, or by electronic voting through <https://vote.odysseytrust.com>, in each case by 9:30 a.m. (EDT) on July 24, 2026. Votes cast electronically are in all respects equivalent to and will be treated in the exact same manner as, votes cast via a paper form of proxy. Further details on the electronic voting process are provided in the form of proxy. Non-Registered Shareholders who receive the Meeting materials through their broker or other intermediary should complete and return their form of proxy or voting instruction form in accordance with the instructions provided by their broker or intermediary. Late proxies may be accepted or rejected at the discretion of the Chair of the Meeting. **Shareholders are reminded to review the Circular prior to voting.**

FLUENT has elected to use the “notice-and-access” mechanism provided for under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* to deliver the Meeting materials to Shareholders, including the FLUENT Notice of Meeting, the Circular, the Annual Financial Statements and the management’s discussion and analysis (“**MD&A**”) for the three months and year ended December 31, 2025 (the “**Annual MD&A**”). This means that, rather than receiving paper copies of the Meeting materials in the mail, Shareholders as of the Record Date will have access to electronic copies of the Meeting materials on FLUENT’s website at www.investors.getfluent.com and under FLUENT’s profile on SEDAR+ at www.sedarplus.ca. The Meeting materials will remain on FLUENT’s website for a period of one year.

Shareholders as of the Record Date will receive a package in the mail containing a Notice of Availability of Meeting materials explaining how to access and review the Meeting materials electronically and how to request a paper copy of such materials free of charge, and a proxy form or a voting instruction form so that Shareholders can vote their Voting Shares. In addition, the package will include a place to request copies of the Annual Financial Statements, the Annual MD&A and/or FLUENT’s interim financial statements and MD&A and a consent for electronic delivery.

Pursuant to the Interim Order, Registered Shareholders have a right to dissent with respect to the Arrangement Resolution and, if the Arrangement becomes effective, to be paid an amount equal to the fair value of their FLUENT Shares as of the close of business on the day before the Arrangement Resolution

was adopted, provided that they have strictly complied with the dissent procedures set forth in section 185 of the OBCA, as modified by the plan of arrangement (the “**Plan of Arrangement**”, a copy of which is set forth in Schedule B to the Circular) and the Interim Order. A Registered Shareholder entitled to vote at the Meeting who wishes to exercise dissent rights is required to deliver a written objection to the Arrangement Resolution to FLUENT not later than 5:00 p.m. (EDT) on July 24, 2026 (or the date that is two Business Days immediately preceding the date that any adjourned or postponed Meeting is reconvened or held, as the case may be). Such notice must be delivered to FLUENT c/o Cassels Brock & Blackwell LLP, Suite 3200, Bay Adelaide Centre – North Tower, 40 Temperance Street, Toronto, Ontario, Canada, M5H 0B4, Attention: Lara Jackson, and must otherwise strictly comply with the dissent procedures prescribed by the OBCA, as modified by the Plan of Arrangement and the Interim Order. A Shareholder’s right to dissent is more particularly described in the Circular. A copy of the Interim Order and the text of section 185 of the OBCA are set forth in Schedule D and Schedule E, respectively, to the Circular.

Failure to strictly comply with the dissent procedures set forth in section 185 of the OBCA, as modified by the Plan of Arrangement and the Interim Order, may result in the loss of any right to dissent. Non-Registered Shareholders who wish to dissent should be aware that only Registered Shareholders are entitled to dissent in respect of the Arrangement Resolution. Registered Shareholders may only dissent with respect to all of the Voting Shares held on behalf of any one such Non-Registered Shareholder and registered in the name of such dissenting Shareholder. Accordingly, a Non-Registered Shareholder desiring to exercise the right to dissent must make arrangements for the Voting Shares beneficially owned by such Non-Registered Shareholder to be registered in such Non-Registered Shareholder’s name prior to the time the written objection to the Arrangement Resolution is required to be received by FLUENT or, alternatively, make arrangements for the registered holder of such Voting Shares to dissent on the Non-Registered Shareholder’s behalf. **It is strongly suggested that any Shareholder wishing to dissent seek independent legal advice, as the failure to strictly comply with the dissent procedures prescribed by section 185 of the OBCA, as modified by the Plan of Arrangement and the Interim Order, may prejudice such Shareholder’s right to dissent.**

Prior to the Meeting and for up to one year thereafter, those Shareholders who wish to receive paper copies of the Meeting materials may request them from Odyssey by calling toll-free at 1(888) 290-1175 (within North America) or 1(587) 885-0960 (outside of North America). If a request for paper copies is received before the Meeting, the Meeting materials will be sent to such Shareholders at no cost within three business days of the request. If a request for paper copies is received on or after the date of the Meeting, and within one year of the Meeting materials being filed, the Meeting materials will be sent to such Shareholders within 10 calendar days after receiving the request. To receive paper copies of the Meeting materials in advance of the proxy deposit deadline, your request should be received by Odyssey no later than July 14, 2026.

If you have any questions or need additional information regarding the voting of your Voting Shares, you should contact your financial, legal, tax or other professional advisors, or contact FLUENT’s transfer agent, Odyssey, at 1(888) 290-1175 toll free in North America, or at 1(587) 885-0960 outside of North America, or by e-mail at shareholders@odysseytrust.com.

Your vote is important, regardless of the number of Voting Shares that you own. Whether or not you expect to attend the Meeting, we encourage you to vote using your form of proxy or voting instruction form, as applicable, as promptly as possible to ensure that your vote will be counted at the Meeting.

DATED at Toronto, Ontario this 12th day of June, 2026.

By order of the Board of Directors of FLUENT Corp.

(Signed) “*William Smith*”

William Smith
Chair of the Board
FLUENT Corp.

TABLE OF CONTENTS

QUESTIONS AND ANSWERS RELATING TO THE MEETING AND THE ARRANGEMENT	4
Questions Relating to the Arrangement	4
Questions Relating to the Meeting and Voting	10
GENERAL INFORMATION	18
Information Contained in this Circular	18
Information Concerning Vireo	19
Presentation of Financial Information	19
Solicitation of Proxies	19
Enforcement in Canada	20
Information for Shareholders not Resident in Canada	20
Currency Exchange Rate Information	20
NOTICE TO FLUENT SECURITYHOLDERS IN THE UNITED STATES	22
FORWARD-LOOKING INFORMATION	24
EXECUTIVE SUMMARY	27
BUSINESS OF THE MEETING	41
Arrangement Resolution	41
Presentation of Financial Statements	41
Election of Directors	42
Appointment of Auditors	46
Renewal of FLUENT Option Plan	46
Renewal of FLUENT RSU Plan	48
Other Business	50
INFORMATION CONCERNING THE MEETING	51
Notice-and-Access	51
Attending the Meeting	51
Appointment and Revocation of Proxies	52
Voting of Proxies and Exercise of Discretion	53
Voting by Registered Shareholders	54
Voting by Non-Registered Shareholders	54
Voting by Submitting Voting Instructions	55
Guests	56
Record Date	57
Quorum	57
Voting Shares and Principal Holders Thereof	57
Vote Counting	58
Securities Authorized for Issuance Under Equity Compensation Plans	59
THE ARRANGEMENT	60
Details of the Arrangement	60
Background to the Arrangement	60
Recommendation of the Board	64
Reasons for the Recommendation of the Special Committee and the Board	65
Fairness Opinion	67
Principal Steps of the Arrangement	68
Timing for Completion of the Arrangement	70
Treatment of Convertible Securities	70
Procedure for Exchange of FLUENT Shares for Consideration Shares and Letter of Transmittal	71
Cancellation of Rights	72
Treatment of Fractional Consideration Shares	73

Lost Certificates	73
Mail Service Interruptions.....	73
Withholding Rights	74
Treatment of Dividends	74
Adjustment of Consideration	74
Return of FLUENT Shares	74
Expenses	75
REGULATORY MATTERS AND APPROVALS	75
Shareholder Approval	75
Court Approvals	76
U.S. Regulatory Approvals.....	77
Stock Exchange Listing	77
Canadian Securities Law Matters	77
Interests of Certain Persons or Companies in the Arrangement	80
U.S. Securities Law Matters.....	83
TRANSACTION AGREEMENTS.....	85
The Arrangement Agreement	85
The Support Agreements	104
FLUENT Credit Equitization Agreement	105
EFFECT OF THE ARRANGEMENT ON SHARE RIGHTS.....	106
RIGHTS OF DISSENTING SHAREHOLDERS	106
INFORMATION CONCERNING FLUENT	110
INFORMATION CONCERNING VIREO	110
INFORMATION CONCERNING Vireo FOLLOWING THE ARRANGEMENT	110
RISK FACTORS	110
Risk Factors Relating to the Arrangement	111
Risk Factors Relating to Vireo Following Completion of the Arrangement	116
Risk Factors Relating to the Vireo Shares	119
CERTAIN INCOME TAX CONSIDERATIONS	121
Certain Canadian Federal Income Tax Considerations	121
Certain United States Federal Income Tax Considerations.....	127
OTHER INFORMATION	131
Interest in Meeting Business and Material Transactions	131
Legal Matters	131
DIRECTORS' APPROVAL	132
CONSENTS OF EXPERTS	133
Consent of ATB Cormark Capital Markets.....	133
GLOSSARY OF TERMS	134
Schedule A ARRANGEMENT RESOLUTION	A-1
Schedule B PLAN OF ARRANGEMENT	B-1
Schedule C FAIRNESS OPINION	C-1
Schedule D INTERIM ORDER AND NOTICE OF APPLICATION.....	D-1

Schedule E SECTION 185 OF THE <i>BUSINESS CORPORATIONS ACT</i> (Ontario).....	E-1
Schedule F INFORMATION CONCERNING FLUENT	F-1
Appendix F-1 STATEMENT OF EXECUTIVE COMPENSATION OF FLUENT CORP.	F-91
Schedule G INFORMATION CONCERNING VIREO	G-1
Schedule H INFORMATION CONCERNING VIREO FOLLOWING THE COMPLETION OF THE ARRANGEMENT	H-1
Schedule I FLUENT FINANCIAL STATEMENTS.....	I-1
Schedule J AUDIT COMMITTEE CHARTER.....	J-1
Schedule K COMPARISON OF SHAREHOLDER RIGHTS UNDER THE OBCA AND THE BCBCA..	K-1
Schedule L FLUENT OPTION PLAN	L-1
Schedule M FLUENT RSU PLAN	M-1

QUESTIONS AND ANSWERS RELATING TO THE MEETING AND THE ARRANGEMENT

This Circular is being furnished in connection with the solicitation of proxies by or on behalf of management of FLUENT for use at the Meeting, to be held at the offices of Cassels Brock & Blackwell LLP, Suite 3200, Bay Adelaide Centre – North Tower, 40 Temperance St., Toronto, Ontario on July 28, 2026 at 9:30 a.m. (EDT), subject to any adjournment or postponement thereof, for the purposes indicated in the Notice of Meeting. Capitalized terms used but not otherwise defined in this section have the meanings ascribed thereto under “*Glossary of Terms*” in this Circular.

Your vote is important and you are encouraged to exercise your vote using any of the voting methods described herein. Your completed form of proxy must be received by Odyssey by no later than 9:30 a.m. (EDT) on July 24, 2026, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjourned or postponed Meeting. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting, at the Chair’s discretion, with or without notice.

The following is intended to answer certain key questions that you as a Shareholder may have concerning the Meeting and the Arrangement involving FLUENT, Vireo and the Shareholders to be considered at the Meeting. The information contained below is of a summary nature and therefore is not complete and is qualified in its entirety by the more detailed information appearing elsewhere in or incorporated by reference in this Circular, including the schedules hereto, all of which are important and should be reviewed carefully. You are urged to carefully read the entirety of this Circular as the information in this section does not provide all of the information that might be important to you with respect to the Arrangement. Additional important information is also contained in the schedules to, and the documents incorporated by reference into, this Circular.

Questions Relating to the Arrangement

Q. What is the proposed transaction?

- A. On April 29, 2026, FLUENT and Vireo entered into the Arrangement Agreement, as amended on June 8, 2026, pursuant to which Vireo agreed to acquire all of the issued and outstanding FLUENT Shares. The Arrangement will be effected by way of a court-approved plan of arrangement under section 182 of the OBCA. Under the Arrangement, each Shareholder (other than any Dissenting Shareholders) will receive 0.002351197 Vireo Shares for each Common Share (after conversion of all (i) Proportionate Voting Shares and (ii) Non-Voting Shares) held. If the Arrangement is completed, FLUENT will become a wholly-owned Subsidiary of Vireo.

See “*The Arrangement – Details of the Arrangement*”.

Q. What are the reasons for the proposed transaction?

- A. In reaching their conclusions and formulating their respective unanimous recommendations, the Special Committee and the Board consulted with FLUENT’s senior management and their legal and financial advisors. The Special Committee and the Board also reviewed a significant amount of financial and technical information relating to FLUENT and Vireo and considered a number of factors. A summary of the principal reasons for the unanimous recommendation of the Special Committee and the Board that Shareholders vote **IN FAVOUR** of the Arrangement Resolution is set forth under the heading “*The Arrangement – Reasons for the Recommendation of the Special Committee and the Board*”.

Q. What steps have FLUENT and the Board undertaken to protect the interests of FLUENT and Shareholders in connection with the Arrangement?

- A. In making its determinations and recommendations, the Special Committee and the Board also observed that a number of procedural safeguards were in place and are present to permit the Board

to represent the interests of FLUENT, Shareholders and other FLUENT stakeholders. These procedural safeguards include, among others:

- **Fairness Opinion.** The Special Committee and the Board received the Fairness Opinion to the effect that, as of April 29, 2026, and based upon the assumptions, limitations, qualifications and other matters set out therein, the Consideration is fair, from a financial point of view, to the Shareholders. See “*Schedule C – Fairness Opinion*”.
- **Support of Board, Management Team and Key Shareholders.** All of the directors and executive management of FLUENT, and certain key Shareholders of FLUENT, entered into Support Agreements pursuant to which they have agreed, among other things, to vote in favour of the Arrangement Resolution.
- **Role of Special Committee.** The Arrangement was reviewed and evaluated by the Special Committee, comprised of members of the Board who are independent of Vireo and of management of FLUENT. Following consultation with its legal and financial advisors and receipt of the Fairness Opinion, the Special Committee unanimously determined that the Arrangement and entering into the Arrangement Agreement are in the best interests of FLUENT, recommended to the Board that the Board authorize FLUENT to enter into the Arrangement Agreement and all related agreements and to recommend that Shareholders vote in favour of the Arrangement Resolution.
- **Arm’s Length Transaction.** The terms of the Arrangement Agreement and the Arrangement are the result of a comprehensive and extensive negotiation process, undertaken with the active oversight and participation of the Special Committee, as well as legal counsel and financial advisors following a significant market test of a wide variety of strategic alternatives for FLUENT.
- **Ability to Respond to Superior Proposals.** Notwithstanding the limitations contained in the Arrangement Agreement on FLUENT’s ability to solicit interest from third parties, the Arrangement Agreement allows the Board, in the exercise of its fiduciary duties, to engage in discussions or negotiations regarding any unsolicited competing proposal for FLUENT received prior to the Meeting that constitutes or would reasonably be expected to constitute a Superior Proposal, subject to the terms and conditions in the Arrangement Agreement.
- **Shareholder Approval.** The Arrangement Resolution must be approved by the affirmative vote of at least 66^{2/3}% of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting, voting as a single class.
- **Court Approvals.** The Arrangement is subject to a judicial determination of the Court that the Arrangement is fair and reasonable, both procedurally and substantively, to Shareholders and other affected persons.
- **Dissent Rights.** Registered Shareholders entitled to vote at the Meeting have the ability to exercise Dissent Rights and to receive fair value for their FLUENT Shares as determined by the Court, subject to strict compliance with all requirements applicable to the exercise of Dissent Rights.

See “*The Arrangement – Reasons for the Recommendation of the Special Committee and the Board*”.

Q Has the Board unanimously approved the Arrangement?

- A. Yes. The Board, having undertaken a thorough review of, and having carefully considered the terms of the Arrangement and the Arrangement Agreement, and after consultation with representatives of FLUENT’s senior management, its financial and legal advisors, having received the unanimous recommendation of the Special Committee, following receipt of the Fairness Opinion, and such

other matters as it considered necessary and relevant, including the factors set out below under the heading “*The Arrangement – Reasons for the Recommendation of the Special Committee and the Board*”, unanimously (with interested directors abstaining from voting) determined that the Arrangement and entering into the Arrangement Agreement are in the best interests of FLUENT and are fair to the Shareholders, approved the Arrangement and authorized FLUENT to enter into the Arrangement Agreement and all related agreements.

Q. Does the Board recommend that I vote IN FAVOUR of the Arrangement Resolution?

A. Yes. The Board unanimously recommends that Shareholders vote **IN FAVOUR** of the Arrangement Resolution.

Q. Who has agreed to support the Arrangement?

A. On April 29, 2026, each of the Supporting Shareholders entered into a Support Agreement with Vireo. Pursuant to the terms of the Support Agreements, all of the Supporting Shareholders have agreed, among other things, to vote all of their FLUENT Shares in favour of the Arrangement Resolution, subject to the terms of the Arrangement Agreement and the Support Agreements. As of April 29, 2026, the Supporting Shareholders collectively owned, directly or indirectly, or exercised control or direction over, an aggregate of 229,850,647 Common Shares and 1,421,538 Proportionate Voting Shares (244,066,027 Common Shares after conversion of all (i) Proportionate Voting Shares and (ii) Non-Voting Shares), representing approximately 38.3% of the issued and outstanding FLUENT Shares on a non-diluted basis, assuming conversion of all (i) Proportionate Voting Shares and (ii) Non-Voting Shares.

See “*Transaction Agreements – The Support Agreements*”.

Q. What will Shareholders’ percentage interest in Vireo be following completion of the Arrangement?

A. Based on information available as of the Record Date, Shareholders will own approximately 2.40% of Vireo on a fully diluted basis following completion of the Arrangement.

Q. What is required for the Arrangement to become effective?

A. The respective obligations of FLUENT and Vireo to complete the Arrangement are subject to the satisfaction or waiver of a number of conditions, including, among others:

- (a) approval of the Arrangement Resolution by the Shareholders at the Meeting in accordance with the Interim Order and applicable Laws;
- (b) receipt of each of the Interim Order and Final Order on terms consistent with the Arrangement Agreement;
- (c) completion of the required filings by Vireo with the CSE, including with respect to the listing of the Consideration Shares thereon, other than customary post-closing filings required to be submitted within the applicable timeframe pursuant the rules of the CSE;
- (d) receipt of the U.S. Regulatory Approvals on terms consistent with the Arrangement Agreement;
- (e) no Governmental Authority having enacted, issued, promulgated, enforced, made, entered or applied any Law and or having taken any Proceeding under any Laws (whether temporary, preliminary or permanent) that makes the Arrangement illegal or otherwise directly or indirectly cease trades, enjoins, restrains or otherwise prohibits completion of the Arrangement;

- (f) the Consideration Shares to be issued and exchanged pursuant to the Arrangement being exempt from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) thereof and pursuant to exemptions from applicable state Securities Laws; and
- (g) the distribution of the Vireo Shares pursuant to the Arrangement being exempt from the prospectus requirements of applicable Securities Laws in Canada either by virtue of exemptive relief from the securities regulatory authorities of each of the provinces of Canada or by virtue of exemptions under applicable Securities Laws and such Vireo Shares not being subject to resale restrictions in Canada under applicable Securities Laws.

See “*Transaction Agreements – The Arrangement Agreement – Conditions to the Arrangement Becoming Effective*”.

Q. When do you expect the Arrangement to be completed?

- A. If the Arrangement Resolution is approved at the Meeting, the Final Order approving the Arrangement is issued by the Court and the other applicable conditions to the completion of the Arrangement are satisfied or waived, the Arrangement will take effect commencing at the Effective Time, which is expected to be at 12:01 a.m. (EDT) on the Effective Date, which is expected to occur in the fourth quarter of 2026.

Q. How will I know when all required approvals have been obtained?

- A. FLUENT and Vireo will issue press releases once all the necessary approvals have been received and conditions to the completion of the Arrangement have been satisfied or waived, other than conditions that, by their terms, cannot be satisfied until the Effective Time.

Q. What will be the relationship between FLUENT and Vireo after completion of the Arrangement?

- A. If completed, the Arrangement will result in Vireo acquiring all of the issued and outstanding FLUENT Shares on the Effective Date. FLUENT will become a wholly-owned Subsidiary of Vireo and Vireo will continue the operations of Vireo and FLUENT. Pursuant to the Plan of Arrangement, at the Effective Time, Shareholders will receive 0.002351197 Vireo Shares for each Common Share (after conversion of all (i) Proportionate Voting Shares and (ii) Non-Voting Shares) held.

It is expected that the Common Shares will be delisted from the CSE as promptly as practicable following completion of the Arrangement and, subject to applicable Laws, Vireo will, as promptly as practicable following completion of the Arrangement, apply to the applicable Canadian Securities Authorities to have FLUENT cease to be a reporting issuer in all jurisdictions in which it is a reporting issuer and thus will terminate FLUENT’s reporting obligations in Canada following completion of the Arrangement.

Q. Where will the Vireo Shares be listed?

- A. The Vireo Shares currently trade on the CSE under the symbol “VREO” and are quoted on the OTCQX Market under the symbol “VREOF”. It is anticipated that, following completion of the Arrangement, the Vireo Shares will continue to be listed and posted for trading on the CSE under the symbol “VREO” and quoted on the OTCQX Market under the symbol “VREOF”.

Q. Why am I being asked to approve the Arrangement?

- A. Subject to any order of the Court, the OBCA requires a corporation that wishes to undergo a court-approved arrangement to obtain, among other consents and approvals, the approval of its shareholders by special resolution passed by at least two-thirds of the votes cast by shareholders present in person or represented by proxy and entitled to vote on such matter. The Arrangement is to be effected by way of an acquisition by Vireo of all of the issued and outstanding FLUENT Shares

(other than FLUENT Shares held by Dissenting Shareholders, if any) in exchange for Vireo Shares by way of a court-approved plan of arrangement under section 182 of the OBCA involving, among others, FLUENT and Vireo.

Q. What approvals are required by Shareholders to pass the Arrangement Resolution at the Meeting?

- A. In order for the Arrangement to become effective, the Arrangement Resolution must be approved by the affirmative vote of at least 66^{2/3}% of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting, voting as a single class.

The Board has unanimously (with interested directors abstaining) approved the Arrangement and recommends that Shareholders vote **IN FAVOUR** of the Arrangement Resolution.

Q. Are Vireo Shareholders required to approve the Arrangement?

- A. No. Vireo Shareholders are not required to approve the Arrangement.

See “*Transaction Agreements – The Arrangement Agreement – Conditions to the Arrangement Becoming Effective*”.

Q. What will happen if the Arrangement Resolution is not approved or the Arrangement is not completed for any reason?

- A. If the Arrangement Resolution is not approved by the requisite majority of Shareholders at the Meeting, the Arrangement cannot be completed. In addition, the Arrangement Agreement may be terminated prior to the Effective Time in certain circumstances (see “*Transaction Agreements – the Arrangement Agreement – Termination*”). If the Arrangement Resolution is not approved or the Arrangement is not completed for any reason, FLUENT and Vireo will continue to operate independently. If the Arrangement Agreement is terminated under certain circumstances specified therein, FLUENT will be required to pay a termination fee in the amount of \$2,000,000 to Vireo in connection with such termination. For a summary of risks that could arise in certain circumstances if the Arrangement is not completed, see “*Risk Factors – Risk Factors Relating to the Arrangement*”.

Q. What will happen to my RSUs and Options in connection with the Arrangement?

- A. The Arrangement Agreement provides that, immediately prior to the Effective Time, on the terms and subject to the conditions of the Arrangement Agreement and in accordance with the terms of the FLUENT RSU Plan and FLUENT Option Plan, as applicable:

- each RSU, whether vested or unvested, will vest and be settled by FLUENT in exchange for one Common Share, less any applicable withholdings immediately prior to the Effective Time and such Common Share will, in accordance with the terms of the Plan of Arrangement, be exchanged for the Consideration; and
- each Option, will accelerate in full and be terminated immediately prior to the Effective Time for no consideration, provided that FLUENT will, in accordance with the FLUENT Option Plan, deliver written notice of termination to all holders of Options at least 10 days prior to the Effective Time (the “**Option Notices**”) to permit such holders the opportunity to exercise their respective Options prior to such termination,

See “*The Arrangement – Principal Steps of the Arrangement*” and “*The Arrangement – Treatment of Convertible Securities*”.

Q. What are the Canadian federal income tax consequences of the Arrangement?

- A. For a summary of certain of the material Canadian federal income tax consequences of the Arrangement, Shareholders should review the discussion under “*Certain Income Tax*”.

Considerations – Certain Canadian Federal Income Tax Considerations". Such discussion is not intended to be legal, business or tax advice and Shareholders are urged to consult their own tax advisors as to the tax consequences of the Arrangement to them with respect to their particular circumstances.

Q. What are the U.S. federal income tax consequences of the Arrangement?

- A. For a summary of certain of the material U.S. federal income tax consequences of the Arrangement applicable to U.S. Holders, see "*Certain Income Tax Considerations – Certain United States Federal Income Tax Considerations*". Such discussion is not intended to be legal, business or tax advice. Shareholders should consult their own tax advisors as to the U.S. federal income tax consequences of the Arrangement applicable to them with respect to their particular circumstances.

Q. Are there any risks I should consider in connection with the Arrangement?

- A. Yes. There are a number of risk factors relating to FLUENT's and Vireo's businesses and operations and Vireo's business and operations following completion of the Arrangement, all of which should be carefully considered by Shareholders in evaluating whether to approve the Arrangement Resolution. Shareholders should carefully consider the risk factors relating to FLUENT described under the heading "*Risk Factors*" in "*Schedule F – Information Concerning FLUENT*", the risk factors relating to Vireo described under the heading "*Risk Factors*" in "*Schedule G – Information Concerning Vireo*" and under the heading "*Risk Factors*" in Vireo's annual report on Form 10-K for the fiscal year ended December 31, 2025 (the "**Vireo Annual Financial Statements**") and the risks relating to the Arrangement and the operations of Vireo under the heading "*Risk Factors*" in this Circular. Readers are cautioned that such risk factors are not exhaustive and additional risks and uncertainties, including those currently unknown or considered immaterial to FLUENT, may also adversely affect FLUENT or Vireo prior to the Arrangement, or Vireo following completion of the Arrangement.

Q. When will I receive the Consideration payable to me under the Arrangement for my FLUENT Shares?

- A. You will receive the Consideration payable to you under the Arrangement as soon as practicable after the Effective Date. In order to receive the Consideration that a Registered Shareholder (other than a Dissenting Shareholder) is entitled to receive pursuant to the Arrangement, each Registered Shareholder must deposit a properly completed and duly executed Letter of Transmittal along with the accompanying certificate(s) or DRS Statement(s) representing their FLUENT Shares to the Depositary (at the address specified in the Letter of Transmittal), together with all other documents and instruments referred to in the Letter of Transmittal or as reasonably required by the Depositary.

Only Registered Shareholders are required to submit a Letter of Transmittal. The exchange of FLUENT Shares for the Consideration in respect of any Non-Registered Shareholder is expected to be made with the Non-Registered Shareholder's Intermediary account through the procedures in place for such purposes between CDS or DTC and such Intermediary, as applicable, with no further action required by the Non-Registered Shareholder.

A Letter of Transmittal will be mailed to each person who was a Registered Shareholder on the Record Date. The Letter of Transmittal will also be available under FLUENT's issuer profile on SEDAR+ at www.sedarplus.ca and on FLUENT's website at investors.getfluent.com. Additional copies of the Letter of Transmittal will also be available by contacting the Depositary at 1-888-290-1175 toll free in North America, or at 587-885-0960 outside of North America, or by email at corp.actions@odysseytrust.com.

See "*The Arrangement – Procedure for Exchange of FLUENT Shares for Consideration and Letter of Transmittal*".

Q. Are Shareholders entitled to Dissent Rights?

- A. Yes. The Interim Order expressly provides Registered Shareholders with Dissent Rights in respect of the Arrangement Resolution pursuant to section 185 of the OBCA, as modified by the Plan of Arrangement and the Interim Order. Only Registered Shareholders who exercise Dissent Rights in strict compliance with section 185 of the OBCA, as modified by the Plan of Arrangement and the Interim Order, will be entitled, in the event that the Arrangement becomes effective, to be paid by FLUENT the fair value of the FLUENT Shares held by such Dissenting Shareholders determined as at the close of business on the day before the Arrangement Resolution is adopted.

Non-Registered Shareholders who wish to dissent should be aware that only Registered Shareholders are entitled to Dissent Rights. Accordingly, a Non-Registered Shareholder desiring to exercise Dissent Rights must make arrangements for the FLUENT Shares beneficially owned by such Non-Registered Shareholder to be registered in such Non-Registered Shareholder's name prior to the time the written objection to the Arrangement Resolution is required to be received by FLUENT or, alternatively, make arrangements for the registered holder of such FLUENT Shares to exercise Dissent Rights on the Non-Registered Shareholder's behalf.

A Shareholder's right to dissent is more particularly described in the Circular. A copy of the Interim Order and the text of section 185 of the OBCA are set forth in Schedule D and Schedule E, respectively, to this Circular. It is recommended that any Registered Shareholder wishing to exercise Dissent Rights seek legal advice, as failure to strictly comply with the provisions of section 185 of the OBCA, as modified by the Plan of Arrangement and the Interim Order, and to adhere to the procedures established therein, may result in the loss of all rights thereunder.

See "*Rights of Dissenting Shareholders*".

Questions Relating to the Meeting and Voting**Q. Why did I receive this Circular?**

- A. You received this Circular because you and other Shareholders will be asked at the Meeting to, among other things, consider and, if deemed advisable, to pass, a special resolution approving the Arrangement involving FLUENT and Vireo under section 182 of the OBCA, pursuant to which Vireo will acquire all of the outstanding FLUENT Shares. The full text of the Arrangement Resolution is set out in Schedule A to this Circular. You and other Shareholders will also be asked to receive and consider the Annual Financial Statements, to elect the directors of FLUENT for the ensuing year and to re-appoint PKF O'Connor Davies LLP, as the auditors of FLUENT for the ensuing year and to authorize the Board to fix their remuneration.

See "*Business of the Meeting*".

Q. Where, when and how is the Meeting being held?

- A. This Circular is provided in connection with the solicitation, by or on behalf of the management of FLUENT, of proxies for use at the Meeting, to be held at the offices of Cassels Brock & Blackwell LLP, Suite 3200, Bay Adelaide Centre – North Tower, 40 Temperance St., Toronto, Ontario on July 28, 2026 at 9:30 a.m. (EDT) for the purposes set forth in the accompanying Notice of Meeting. References in this Circular to the Meeting include any adjournment or postponement thereof.

See "*Information Concerning the Meeting*".

Q. How do I attend the Meeting?

- A. Registered Shareholders and duly appointed proxyholders (including any Non-Registered Shareholders who have appointed themselves as proxyholder) will be able to attend, ask questions and vote in person at the Meeting, provided that they carefully follow the instructions set out in this Circular and the related proxy materials.

Non-Registered Shareholders may attend the Meeting as guests but will not be able to ask questions or vote in person at the Meeting, unless they have been duly appointed as proxyholders in accordance with the procedures set out below and in the related proxy materials. See *“Information Concerning the Meeting – Attending the Meeting”* for additional information on how to vote and ask questions in person at the Meeting.

Q. Am I entitled to vote at the Meeting?

- A. Only Registered Shareholders at the close of business on June 12, 2026, the Record Date, or their duly appointed proxyholders, are entitled to vote at the Meeting. Each Shareholder is entitled to: (i) one vote for each Common Share held by such holder as of the close of business on the Record Date; and (ii) 10 votes per Proportionate Voting Share held by such holder as of the close of business on the Record Date.

Q. What am I voting on?

- A. If you are a holder of FLUENT Shares as of the Record Date, you will be voting on the Arrangement Resolution to approve the Arrangement involving FLUENT and Vireo under section 182 of the OBCA, pursuant to which Vireo will acquire all of the outstanding FLUENT Shares.

To be effective, the Arrangement Resolution must be approved by the affirmative vote of at least 66^{2/3}% of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting, voting as a single class. If the Arrangement Resolution is not approved by the requisite majority of Shareholders at the Meeting, the Arrangement cannot be completed.

You will also be voting on the election of the directors of FLUENT for the ensuing year and the re-appointment of PKF O'Connor Davies LLP, as the auditors of FLUENT for the ensuing year and the authorization for the Board to fix their remuneration. To be effective, each of these resolutions requires the affirmative vote of not less than a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

Q. What constitutes quorum for the Meeting?

- A. The quorum for any meeting of Shareholders is 15% of Voting Shares entitled to vote at the meeting of Shareholders, present in person or represented by proxy.

Q. What is notice-and-access?

- A. FLUENT has elected to use the “notice-and-access” provisions provided for under NI 54-101 to deliver the Meeting materials to Shareholders, including the Notice of Meeting, this Circular, the Annual Financial Statements, and the Annual MD&A. This means that, rather than receiving paper copies of these Meeting materials in the mail, Shareholders as of the Record Date will have access to electronic copies of these Meeting materials on FLUENT’s website at www.investors.getfluent.com and under FLUENT’s profile on SEDAR+ at www.sedarplus.ca. The Meeting materials will remain on FLUENT’s website for a period of one year.

Shareholders will receive a package in the mail containing a Notice of Availability of Meeting materials explaining how to access and review the Meeting materials electronically and how to request a paper copy of such materials free of charge, and a proxy form or a voting instruction form so Shareholders can vote their FLUENT Shares. In addition, the package will include a place to request copies of the Annual Financial Statements, the Annual MD&A and/or the Interim Financial Statements and Interim MD&A and a consent for electronic delivery. FLUENT believes that notice-and-access will substantially reduce printing, paper and postage costs and is a more environmentally friendly and cost-effective way to distribute the Meeting materials to Shareholders.

Prior to the Meeting and for up to one year thereafter, those Shareholders who wish to receive paper copies of the Meeting materials may request them from Odyssey by calling toll-free at 1(888) 290-1175 (within North America) or 1(587) 885-0960 (outside of North America). If a request for

paper copies is received before the Meeting, the Meeting materials will be sent to such Shareholders at no cost within three Business Days of the request. If a request for paper copies is received on or after the date of the Meeting, and within one year of the Meeting materials being filed, the Meeting materials will be sent to such Shareholders within 10 calendar days after receiving the request. To receive paper copies of the Meeting materials in advance of the proxy deposit deadline, your request should be received by Odyssey no later than July 14, 2026.

Q. How many FLUENT Shares are entitled to be voted?

- A. As of the Record Date: (i) 613,261,139 Common Shares were issued and outstanding, representing approximately 96.2% of the voting rights attached to the outstanding securities of FLUENT, each of which carries the right to one vote in respect of each of the matters properly coming before the Meeting; (ii) 2,450,188 Proportionate Voting Shares were issued and outstanding, representing approximately 3.8% of the voting rights attached to the outstanding securities of FLUENT, each of which carries the right to 10 votes in respect of each of the matters properly coming before the Meeting; and (iii) nil Non-Voting Shares.

Q. Does any Shareholder beneficially own 10% or more of the FLUENT Shares?

- A. As at the Record Date, to the knowledge of the directors and executive officers of FLUENT, William Smith, Chair of the Board, and The Hawthorne Collective are the only Shareholders who beneficially own, directly or indirectly, or exercise control or direction over, voting securities of FLUENT carrying 10% or more of the voting rights attached to any class of voting securities of FLUENT. As at the Record Date, (i) William Smith beneficially owns, directly or indirectly, or exercises control or direction over 64,189,527 Common Shares and 1,421,538 Proportionate Voting Shares, representing approximately 12.3% of the voting rights attached to the outstanding FLUENT Shares and (ii) The Hawthorne Collective holds 153,069,395 Common Shares, representing 24.0% of the voting rights attached to the outstanding FLUENT Shares. See *"Information Concerning the Meeting – FLUENT Shares and Principal Holders Thereof"*.

Q. What if I acquire ownership of FLUENT Shares after the Record Date?

- A. You will not be entitled to vote FLUENT Shares acquired after the Record Date at the Meeting. Only persons owning FLUENT Shares as of the Record Date are entitled to vote at the Meeting.

Q. What if amendments are made to these matters or if other business matters are brought before the Meeting?

- A. If you attend the Meeting and are eligible to vote, you may vote on the business matters as you choose.

If you have completed and returned a proxy form, the persons named in the proxy form will have discretionary authority to vote on amendments or variations to the matters identified in the Notice of Meeting or other matters that may properly come before the Meeting, or any adjournment or postponement thereof. As of the date of this Circular, management of FLUENT knows of no amendment, variation or other matter to come before the Meeting, other than the matters referred to in the Notice of Meeting. However, if any other matter properly comes before the Meeting, the proxy form will be voted on such matter in accordance with the best judgment of the person voting the proxy, including with respect to any amendments or variations to the matters identified in this Circular.

Q. Am I a Registered Shareholder?

- A. You are a Registered Shareholder if you have certificate(s) or DRS Statement(s) representing FLUENT Shares issued in your name and appear on the books of FLUENT as a holder of FLUENT Shares.

Q. Am I a Non-Registered Shareholder (also commonly referred to as a beneficial shareholder)?

- A. You are a Non-Registered Shareholder if your FLUENT Shares are registered in the name of an Intermediary. If you are not sure whether you are a Registered Shareholder or a Non-Registered Shareholder, please contact Odyssey at 1(888) 290-1175 toll free in North America, or at 1(587) 885-0960 outside of North America, or by e-mail at shareholders@odysseytrust.com.

Q. How do I vote if I am a Registered Shareholder?

- A. As a Registered Shareholder, you may either vote by proxy or in person at the Meeting by following the steps below.

Registered Shareholders – Voting by Proxy

Voting by proxy is the easiest way for Registered Shareholders to cast their vote. Registered Shareholders can vote by proxy in any of the following ways:

By Internet:	Go to https://vote.odysseytrust.com and follow the instructions on the screen. Votes cast electronically are in all respects equivalent to, and will be treated in the exact same manner as, votes cast via a paper form of proxy.
By Mail:	Registered Shareholders can complete, sign and date their form of proxy and return it in the envelope provided for that purpose to Odyssey Trust Company, Attention: Proxy Department, Traders Bank Building, Suite 1100, 67 Yonge St, Toronto, Ontario M5E 1J8.

A proxy will not be valid for use at the Meeting unless it is duly completed and received by Odyssey in accordance with the instructions thereon by 9:30 a.m. (EDT) on July 24, 2026, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjourned or postponed Meeting. Late proxies may be accepted or rejected at the discretion of the Chair of the Meeting.

The persons named in the form of proxy are **Matthew Mundy** or failing him, **Richard Mavrinac**. **A Shareholder that wishes to appoint another person or entity (who need not be a Shareholder) to represent such Shareholder at the Meeting may either insert the person or entity's name in the blank space provided in the form of proxy or complete another proper form of proxy and submit the form of proxy.** Each Shareholder may instruct his or her proxy on how to vote his or her Voting Shares by completing the blanks on the form of proxy.

Registered Shareholders – Voting In Person

Registered Shareholders and duly appointed proxyholders who plan to attend and vote in person at the Meeting must register with FLUENT's transfer agent, Odyssey, when they arrive at the Meeting to ensure that their vote will be counted. Registered Shareholders who plan to attend and to vote at the Meeting in person should not complete or return the form of proxy. Their vote will be taken and counted at the Meeting.

See "*Information Concerning the Meeting – Voting by Registered Shareholders – Voting by Proxy*".

Q. How do I vote if I am a Non-Registered Shareholder?

- A. As a Non-Registered Shareholder, you may vote by submitting voting instructions by following the steps below. The information set forth in this section is of significant importance to Non-Registered Shareholders.

Non-Registered Shareholders – Voting by Submitting Voting Instructions

Non-Registered Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of FLUENT as of the Record Date as the registered Shareholders can be recognized and acted upon at the Meeting. If Voting Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Voting Shares will not be registered in such Shareholder's name on the records of FLUENT. Such Voting Shares will more likely be registered under the name of the Shareholder's Intermediary. In Canada, the vast majority of such Voting Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities), which acts as a nominee for many Canadian brokerage firms. Voting Shares held by Intermediaries can only be voted (for, withheld or against resolutions) upon the instructions of the Non-Registered Shareholder. Without specific instructions, Intermediaries are prohibited from voting the Voting Shares for their clients. The directors and officers of FLUENT do not know for whose benefit the Voting Shares registered in the name of CDS & Co., or another Intermediary, are held.

If you are a Non-Registered Shareholder, your Intermediary will send you a voting instruction form that allows you to provide voting instructions to your Intermediary on the Internet, by telephone or by email. Intermediaries are required to seek voting instructions from Non-Registered Shareholders in advance of shareholder meetings. Every Intermediary has its own mailing procedures and provides its own return voting instructions, which should be carefully followed by Non-Registered Shareholders to ensure that their Voting Shares are voted at the Meeting. Often the form of proxy supplied to a Non-Registered Shareholder by its Intermediary is identical to the form of proxy provided by FLUENT to the Intermediaries. However, its purpose is limited to instructing the Intermediary on how to vote on behalf of the Non-Registered Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions on how to vote from clients to Broadridge. Broadridge typically mails a form of proxy or voting instruction form to the Non-Registered Shareholders and asks the Non-Registered Shareholders to return the form of proxy or voting instruction form to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Voting Shares to be represented at the Meeting. A Non-Registered Shareholder receiving a form of proxy or voting instruction form from Broadridge cannot use that form of proxy or voting instruction form to vote Voting Shares directly at the Meeting. The form of proxy or voting instruction form must be returned to Broadridge or the Intermediary well in advance of the Meeting to have the Voting Shares voted. A Non-Registered Shareholder may revoke a form of proxy or voting instruction form or a waiver of the right to receive Meeting materials and to vote which has been given to their Intermediary at any time by written notice to the Intermediary, provided that the Intermediary is not required to act on a revocation of a form of proxy or voting instruction form or of a waiver of the right to receive Meeting materials and to vote, which is not received by the Intermediary at least seven days prior to the Meeting.

If you have any questions regarding the voting of Voting Shares held through a broker or other Intermediary, please contact your broker or other Intermediary for assistance.

In accordance with the requirements of NI 54-101, FLUENT is using notice-and-access to send proxy-related materials for use in connection with the Meeting to Non-Registered Shareholders using the "indirect" sending procedures set out in NI 54-101. Accordingly, FLUENT has distributed copies of the Meeting materials to Broadridge to deliver, on behalf of the Intermediaries, to the Non-Registered Shareholders.

See *"Information Concerning the Meeting – Voting by Non-Registered Shareholders – Voting by Submitting Voting Instructions"*.

Non-Registered Shareholders – Voting in Person

A Non-Registered Shareholder can only vote its Voting Shares in person at the Meeting if it has previously appointed itself as the proxyholder for its Voting Shares by printing its name in the space provided on the voting instruction form and submitting it as directed on the form.

Non-Registered Shareholders who have validly appointed themselves as proxyholders and who plan to attend and vote in person at the Meeting must register with FLUENT's transfer agent, Odyssey, when they arrive at the Meeting to ensure that their vote will be counted.

A Non-Registered Shareholder may also appoint someone else (who need not be a Shareholder) as its proxyholder to vote its FLUENT Shares in person at the Meeting by printing their name in the space provided on the voting instruction form and submitting it as directed on the form.

Duly appointed proxyholders who plan to attend and vote in person at the Meeting must register with FLUENT's transfer agent, Odyssey, when they arrive at the Meeting to ensure that their vote will be counted.

See "*Information Concerning the Meeting – Attending the Meeting in Person*" and "*Information Concerning the Meeting – Voting by Non-Registered Shareholders – Voting In Person*" for instructions on how a Non-Registered Shareholder, or a Non-Registered Shareholder's duly appointed proxyholder may attend and vote in person at the Meeting.

Q. How do I vote if I am both a Registered Shareholder and a Non-Registered Shareholder?

A. Should you hold some Voting Shares as a Registered Shareholder and others as a Non-Registered Shareholder, you will have to use both voting methods described above.

Q. Who is soliciting my proxy?

A. The management of FLUENT is soliciting your proxy.

To encourage your vote participation, you may be contacted by directors, officers, employees, consultants or agents of FLUENT by telephone, email, internet, facsimile, in person or by other means of communication. The total cost of soliciting proxies and mailing the Meeting materials to Shareholder will be borne by FLUENT.

Q. Who votes my FLUENT Shares and how will they be voted if I return a proxy form?

A. The form of proxy, when properly signed, confers authority on the persons named in it as proxies to use their discretion in voting on any amendments or variations to the matters identified in the Notice of Meeting or other matters that may properly come before the Meeting, or any adjournment or postponement thereof. In addition, if you do not give any instruction as to how to vote on a particular matter to be decided at the Meeting, your proxyholder can vote your Voting Shares as he or she thinks fit. Notwithstanding the foregoing, the persons named in the form of proxy will vote or withhold from voting the Voting Shares in respect of which they are appointed in accordance with the direction of the Shareholder appointing them and if the Shareholder specifies a choice with respect to any matter to be voted upon, such Shareholders' Voting Shares will be voted accordingly. If you sign and return your form of proxy without designating a proxyholder and do not give voting instructions or do not specify that you want your Voting Shares voted against the Arrangement Resolution and the Annual Resolutions, the FLUENT representatives named in the form of proxy will vote your Voting Shares **IN FAVOUR** of the Arrangement Resolution, the Annual Resolutions, the FLUENT Option Plan Resolution, and the FLUENT RSU Plan Resolution.

IN THE ABSENCE OF ANY SUCH INSTRUCTION, VOTING SHARES REPRESENTED BY PROXIES RECEIVED BY MANAGEMENT WILL BE VOTED IN FAVOUR OF THE ARRANGEMENT RESOLUTION, THE ANNUAL RESOLUTIONS, THE FLUENT OPTION PLAN RESOLUTION, AND THE FLUENT RSU PLAN RESOLUTION.

Q. Can I appoint someone other than those named in the form of proxy to vote my Voting Shares?

- A. **Yes, you have the right to appoint another person of your choice. A Shareholder that wishes to appoint another person or entity (who need not be a Shareholder) to represent such Shareholder at the Meeting may either insert the person or entity's name in the blank space provided in the form of proxy or complete another proper form of proxy and submit the form of proxy.**

In either case, the completed form of proxy must be delivered to Odyssey at the place and within the time limits specified herein for the deposit of proxies. The Chair of the Meeting will have the discretion to waive or extend the proxy deadlines without notice. A Shareholder who appoints a proxy other than the designated proxyholders should notify their chosen proxyholder(s), obtain his or her consent to act as proxy, and provide instructions to such proxyholder on how the Shareholder's Voting Shares are to be voted. The proxy appointee should bring personal identification to the Meeting. In all cases the form of proxy should be dated and executed by a Shareholder or an attorney duly authorized in writing (with proof of such authorization attached, in the case where an appointed attorney has executed the form of proxy).

A form of proxy will not be valid for the Meeting or any adjournment or postponement thereof unless it is completed and delivered to Odyssey Trust Company, Attention: Proxy Department, Traders Bank Building, Suite 1100, 67 Yonge St, Toronto, Ontario M5E 1J8, by courier, by mail, or by electronic voting through <https://vote.odysseytrust.com> in each case by 9:30 a.m. (EDT) on July 24, 2026, or in the event of an adjournment or postponement of the Meeting, 48 hours before the time of the adjourned or postponed Meeting (excluding Saturdays, Sundays and holidays). Votes cast electronically are in all respects equivalent to and will be treated in the exact same manner as votes cast via a paper form of proxy. Further details on the electronic voting process are provided in the form of proxy. Alternatively, a form of proxy may be given to the Chair of the Meeting at which the form of proxy is to be used. Late forms of proxy may be accepted or rejected by the Chair of the Meeting in his or her discretion, and the Chair is under no obligation to accept or reject any particular late form of proxy. The Chair of the Meeting will have the discretion to waive or extend the proxy deadlines without notice.

See "*Information Concerning the Meeting*" in this Circular.

- Q. What if my Voting Shares are registered in more than one name or in the name of a company?**

- A. If your Voting Shares are registered in more than one name, all registered persons must sign the proxy form. If your Voting Shares are registered in a company's name or any name other than your own, you may be required to provide documents proving your authorization to sign the proxy form for that company or name. For any questions about the proper supporting documents, contact FLUENT's transfer agent, Odyssey, by telephone at 1(888) 290-1175 toll free in North America, or at 1(587) 885-0960 outside of North America.

- Q. Can I revoke a proxy or voting instruction?**

- A. **Yes. A Shareholder who has voted by proxy may revoke the proxy any time prior to the time of the Meeting.** To revoke a proxy, a Registered Shareholder may: (a) deliver a written notice to Odyssey Trust Company, Attention: Proxy Department, Traders Bank Building, Suite 1100, 67 Yonge St, Toronto, Ontario M5E 1J8, at any time up to and including the close of business on the last Business Day preceding the day of the Meeting, or any adjournment or postponement thereof, or with the Chair of the Meeting on the day of the Meeting prior to the commencement of the Meeting or any adjournment or postponement thereof; (b) vote again on the Internet at any time up to 9:30 a.m. (EDT) on July 24, 2026, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjourned or postponed Meeting; or (c) complete a form of proxy that is dated later than the form of proxy being revoked, and mailing it as instructed on the form of proxy so that it is received before 9:30 a.m. (EDT) on July 24, 2026, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjourned or postponed

Meeting. If a registered Shareholder revokes a form of proxy and does not replace it with another form of proxy that is deposited with Odyssey before the proxy deadline, such Shareholder can still vote its Voting Shares at the Meeting. **A Shareholder may also revoke a proxy in any other manner permitted by law.** The written notice of revocation may be executed by the Shareholder or by an attorney who has the Shareholder's written authorization. If the Shareholder is a corporation, the written notice must be executed by its duly authorized officer or attorney.

Only Registered Shareholders have the right to directly revoke a proxy. Non-Registered Shareholders that wish to revoke or change their prior voting instructions must arrange for their respective Intermediaries to revoke the proxy on their behalf in accordance with any requirements of the Intermediaries. Intermediaries may set deadlines for the receipt of revocations that are further in advance of the Meeting than those set out elsewhere in this Circular and related proxy materials and, accordingly, any such revocation should be completed in coordination with such Non-Registered Shareholder's Intermediary well in advance of the deadline for submitting forms of proxy or voting instruction forms to ensure it can be given effect to at the Meeting.

See *"Information Concerning the Meeting – Appointment and Revocation of Proxies"*.

Q. Should I send in my proxy now?

- A. Yes. Once you have carefully read and considered the information in this Circular, you should complete and submit the voting instruction form or form of proxy. You are encouraged to vote well in advance of the proxy cut off time to ensure your vote is received in a timely manner. Your vote will not be valid at the Meeting unless it is duly completed and received by Odyssey in accordance with the instructions thereon by 9:30 a.m. (EDT) on July 24, 2026, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjourned or postponed Meeting. Late proxies may be accepted or rejected at the discretion of the Chair of the Meeting. The Chair is under no obligation to accept or reject any particular late proxy. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting, at the Chair's discretion, with or without notice.

Q. Who is responsible for counting and tabulating the votes by proxy?

- A. Votes by proxy are counted and tabulated by FLUENT's transfer agent, Odyssey.

Q. What if I have other questions?

- A. If you have questions regarding the Meeting, please contact Odyssey at 1(888) 290-1175 toll free in North America, or at 1(587) 885-0960 outside of North America, or by e-mail at shareholders@odysseytrust.com.

GENERAL INFORMATION

Information Contained in this Circular

This Circular is furnished in connection with the solicitation of proxies by and on behalf of management of FLUENT for use at the Meeting and any adjournment or postponement thereof.

FLUENT is conducting the Meeting as an in person meeting that will allow Registered Shareholders and duly appointed proxyholders to participate. Only Registered Shareholders and duly appointed proxyholders (including any Non-Registered Shareholders who have appointed themselves as proxyholders) will be able to attend, ask questions and vote at the Meeting provided that they carefully follow the instructions set out in this Circular and the related proxy materials. See *"Information Concerning the Meeting"* and the Notice of Meeting that accompanies this Circular.

No person has been authorized to give any information or to make any representations in connection with the Arrangement and the other matters discussed in or incorporated by reference in this Circular other than those contained in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized by FLUENT and should not be relied upon in making a decision as to how to vote on the Arrangement Resolution, the Annual Resolutions, the FLUENT Option Plan Resolution, and the FLUENT RSU Plan Resolution. For greater certainty, to the extent that any information contained or provided on FLUENT's website is inconsistent with this Circular, you should rely on the information provided in this Circular. Information contained on FLUENT's website is not and is not deemed to be a part of this Circular or incorporated by reference herein and should not be relied upon by Shareholders in making a decision as to how to vote on the Arrangement Resolution, the Annual Resolutions, the FLUENT Option Plan Resolution, and the FLUENT RSU Plan Resolution.

This Circular does not constitute an offer to sell, or a solicitation of an offer to acquire, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of an offer or proxy solicitation. Neither delivery of this Circular nor any distribution of the securities referred to in this Circular will, under any circumstances, create an implication that there has been no change in the information set forth herein since the date of this Circular.

Unless otherwise indicated, information in this Circular is as of June 12, 2026. Information contained in the documents incorporated herein by reference is as of the respective dates stated therein. All capitalized terms used in this Circular but not otherwise defined herein have the meanings set forth under *"Glossary of Terms"*.

Descriptions in this Circular of the terms of the Plan of Arrangement, the Fairness Opinion, and the Interim Order attached to this Circular at Schedule B, Schedule C and Schedule D, respectively, and the Arrangement Agreement and the forms of Support Agreement, which have been filed under FLUENT's issuer profile on SEDAR+ at www.sedarplus.ca, are summaries of the terms of those documents and are qualified in their entirety by reference to the full text of each of those documents. You are urged to carefully read the full text of those documents. In the event of any inconsistency between the summary of any provision of those documents contained in this Circular and the actual text of the document, the text of the applicable document will govern.

Information contained in this Circular should not be construed as legal, tax, or financial advice and Shareholders are urged to consult with their own professional advisors in considering the relevant legal, tax, financial or other matters contained in this Circular.

This document is important and requires your immediate attention. If you have any questions or require assistance, you should consult your investment dealer, broker, bank manager, lawyer or other professional advisors. This Circular and the transactions contemplated by the Arrangement Agreement and the Plan of Arrangement have not been approved or disapproved by any securities regulatory authority nor has any

securities regulatory authority passed upon the fairness or merits of such transactions or upon the accuracy or adequacy of the information contained in this Circular and it is an offence to claim otherwise.

Information Concerning Vireo

Except as otherwise indicated, certain information included or incorporated by reference in this Circular pertaining to Vireo, including, but not limited to, information pertaining to Vireo in “*Schedule G – Information Concerning Vireo*” and in “*Schedule H – Information Concerning Vireo Following the Arrangement*”, has been furnished to FLUENT by Vireo, or is derived from Vireo’s publicly available documents and should be read together with, and is qualified by, the documents filed by Vireo with the securities regulatory authorities in Canada and with the SEC through EDGAR at www.sec.gov/edgar. Although FLUENT has no knowledge that any statements contained herein taken from or based on such information provided by Vireo are untrue or incomplete, neither FLUENT nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information, nor for any failure of Vireo or any of its affiliates or representatives to disclose facts or events which may have occurred or which may affect the completeness or accuracy of any such information but which are unknown to FLUENT. FLUENT has no knowledge of any material information concerning Vireo that has not been generally disclosed and, in accordance with the Arrangement Agreement, Vireo provided all necessary information concerning Vireo that is required by Law to be included in this Circular. See also “*Risk Factors*”.

For further information regarding Vireo, please refer to Vireo’s filings with the securities regulatory authorities in Canada which may be obtained under Vireo’s profile on SEDAR+ at www.sedarplus.ca and with the SEC through EDGAR at www.sec.gov/edgar. See also “*Schedule G – Information Concerning Vireo*” and in “*Schedule H – Information Concerning Vireo Following the Arrangement*”.

Presentation of Financial Information

The historical financial statements for each of FLUENT and Vireo are prepared in accordance with IFRS and U.S. GAAP, respectively, and all other financial information of FLUENT and Vireo included or incorporated by reference in this Circular are reported in United States dollars and are included based on applicable Canadian Securities Laws. The Annual Financial Statements have been audited in accordance with Canadian generally accepted auditing standards and the Vireo Annual Financial Statements have been audited in accordance with the PCAOB standards.

Solicitation of Proxies

To encourage your vote participation, you may be contacted by directors, officers, employees, consultants or agents of FLUENT by telephone, email, internet, facsimile, in person or by other means of communication. The total cost of soliciting proxies and mailing the Meeting materials to Shareholders will be borne by FLUENT.

FLUENT will be relying on the notice-and-access delivery procedures outlined in NI 54-101 to distribute copies of proxy-related materials in connection with the Meeting. FLUENT will pay for an Intermediary to deliver copies of proxy-related materials in connection with the Meeting to “objecting beneficial owners”.

Notice-and-Access

FLUENT has elected to use the “notice-and-access” provisions provided for under NI 54-101 to deliver the Meeting materials to Shareholders, including the Notice of Meeting, this Circular, the Annual Financial Statements, and the Annual MD&A. This means that, rather than receiving paper copies of these Meeting materials in the mail, Shareholders as of the Record Date will have access to electronic copies of these Meeting materials on FLUENT’s website at www.investors.getfluent.com and under FLUENT’s profile on SEDAR+ at www.sedarplus.ca. The Meeting materials will remain on FLUENT’s website for a period of one year.

Registered Shareholders as of the Record Date will receive a package in the mail containing a Notice of Availability of Meeting materials explaining how to access and review the Meeting materials electronically.

and how to request a paper copy of such materials free of charge, and a proxy form or a voting instruction form so Shareholders can vote their FLUENT Shares. In addition, the package will include a place to request copies of the Annual Financial Statements, the Annual MD&A and/or the Interim Financial Statements and Interim MD&A and a consent for electronic delivery. FLUENT believes that notice-and-access will substantially reduce printing, paper and postage costs and is a more environmentally friendly and cost-effective way to distribute the Meeting materials to Shareholders.

Prior to the Meeting and for up to one year thereafter, those Shareholders who wish to receive paper copies of the Meeting materials may request them from Odyssey by calling toll-free at 1(888) 290-1175 (within North America) or 1(587) 885-0960 (outside of North America). If a request for paper copies is received before the Meeting, the Meeting materials will be sent to such Shareholders at no cost within three Business Days of the request. If a request for paper copies is received on or after the date of the Meeting, and within one year of the Meeting materials being filed, the Meeting materials will be sent to such Shareholders within 10 calendar days after receiving the request. To receive paper copies of the Meeting materials in advance of the proxy deposit deadline, your request should be received by Odyssey no later than July 14, 2026.

Enforcement in Canada

Certain of the directors and officers of FLUENT and Vireo as well as certain experts referenced in this Circular and the documents incorporated by reference herein reside outside of Canada. It may not be possible for Shareholders to effect service of process within Canada upon such persons. Shareholders are advised that it may not be possible to enforce judgments obtained in Canada against any person that is incorporated, continued or otherwise organized under the Laws of a foreign jurisdiction or resides outside of Canada.

Information for Shareholders not Resident in Canada

FLUENT is a corporation organized under the Laws of the Province of Ontario. The solicitation of proxies involves securities of a Canadian issuer and is being effected in accordance with applicable corporate and Securities Laws in Canada. Shareholders should be aware that the requirements applicable to FLUENT under Canadian Laws may differ from requirements under corporate and securities Laws relating to corporations in other jurisdictions.

The enforcement of civil liabilities under the securities Laws of other jurisdictions outside Canada may be affected adversely by the fact that FLUENT is organized under the Laws of the Province of Ontario, certain of its assets are located in Canada and certain of its directors and officers, as well as certain experts referenced in this Circular, are residents of Canada. You may not be able to sue FLUENT, its directors or officers and/or the experts referenced in this Circular in a Canadian court for violations of foreign securities Laws. It may be difficult to compel FLUENT to subject itself to a judgment of a court outside Canada.

Shareholders who are foreign taxpayers should be aware that the Arrangement described in this Circular may result in tax implications both in Canada and such foreign jurisdictions in which they are resident. This Circular only contains a summary of the Canadian federal income tax and U.S. federal income tax considerations applicable to holders of FLUENT Shares. This Circular does not contain a summary of any foreign income tax legislation or considerations pursuant to the Arrangement applicable to Shareholders who are subject to income tax outside of Canada or the United States. Such Shareholders should consult their own tax advisors with respect to the tax implications of the Arrangement, including any associated filing requirements and the effects of owning and disposing of the Consideration in such jurisdictions.

Currency Exchange Rate Information

In this Circular, unless otherwise specified or the context requires, all dollar amounts and references to “\$”, “USD” and “dollars”, are to United States dollars and references to “C\$” and “CAD” are to Canadian dollars.

The following table sets forth the high and low daily exchange rates for one United States dollar expressed in Canadian dollars for each period indicated, the average of the daily exchange rates for each period

indicated and the exchange rate at the end of the period, based on the daily exchange rates provided by the Bank of Canada.

	Three Months Ended March 31			Year Ended December 31		
	2026	2025	2024	2025	2024	2023
High	1.3939	1.4603	1.3593	1.4603	1.4416	1.3875
Low	1.3515	1.4166	1.3316	1.3558	1.3316	1.3128
Average Rate During Period	1.3717	1.4352	1.3488	1.3978	1.3698	1.3497
Rate at End of Period	1.3939	1.4376	1.3574	1.3706	1.4389	1.3226

On June 12, 2026, the average daily exchange rate as reported by the Bank of Canada was \$1.00 = C\$1.3977 or C\$1.00 = \$0.7155.

NOTICE TO FLUENT SECURITYHOLDERS IN THE UNITED STATES

THE ARRANGEMENT AND THE SECURITIES TO BE ISSUED IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR ANY SECURITIES REGULATORY AUTHORITY IN ANY STATE IN THE UNITED STATES, NOR HAS THE SEC OR ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE IN THE UNITED STATES PASSED UPON THE FAIRNESS OR MERITS OF THE ARRANGEMENT OR UPON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

The Consideration Shares to be issued to Shareholders in exchange for their FLUENT Shares pursuant to the Arrangement have not been registered under the U.S. Securities Act or any applicable U.S. state securities Laws, and are being issued in reliance on the exemption from the registration requirements of the U.S. Securities Act set forth in the Section 3(a)(10) thereof on the basis of the approval of the Court as described under “*Regulatory Matters and Approvals – U.S. Securities Law Matters*”, and similar exemptions from registration under applicable U.S. state securities Laws. Section 3(a)(10) of the U.S. Securities Act exempts from registration the issuance of any securities in exchange for one or more *bona fide* outstanding securities from the general requirement of registration where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction that is expressly authorized by law to grant such approval, after a hearing upon the substantive and procedural fairness of the terms and conditions of such issuance and exchange at which all persons to whom it is proposed to issue the securities have the right to appear and receive timely and adequate notice thereof. The Court is authorized to conduct a hearing at which the substantive and procedural fairness of the terms and conditions of the Arrangement will be considered.

The Court issued the Interim Order on June 11, 2026, and, subject to the approval of the Arrangement by the Shareholders, a hearing on the application for the Final Order is expected to take place on or about August 4, 2026, at 10:00 a.m. (EDT). All Shareholders are entitled to appear and be heard at this hearing. The Final Order, if granted, will constitute a basis for the exemption from the registration requirements of the U.S. Securities Act set forth in the Section 3(a)(10) thereof with respect to the Consideration Shares to be issued to Shareholders in exchange for their FLUENT Shares, pursuant to and upon completion of the Arrangement. Prior to the hearing on the Final Order, the Court will be informed of this effect of the Final Order. See “*Regulatory Matters and Approvals – Court Approvals*”.

FLUENT is organized under the Laws of the Province of Ontario and is a “foreign private issuer” as defined in Rule 3b-4 under the U.S. Exchange Act. As a result, the solicitations of proxies for the Meeting are not subject to the requirements of Sections 14(a) or 14(c) of the U.S. Exchange Act. Accordingly, the solicitations and transactions contemplated in this Circular are being made in the United States in accordance with Canadian corporate and Securities Laws, and this Circular has been prepared solely in accordance with disclosure requirements applicable in Canada. Shareholders in the United States should be aware that such requirements are different from those of the United States applicable to registration statements under the U.S. Securities Act and proxy statements under the U.S. Exchange Act.

Information concerning the operations of FLUENT contained herein has been prepared in accordance with Canadian disclosure standards, which are not comparable in all respects to United States disclosure standards. The financial statements of FLUENT were prepared in accordance with IFRS, which differ from generally accepted accounting principles in the United States in certain material respects, and thus may not be comparable to financial statements and information of United States companies prepared in accordance with generally accepted accounting principles in the United States. See also “*Business of the Meeting – Presentation of Financial Information*”.

The historical financial statements of FLUENT and Vireo included or incorporated by reference in this Circular, as applicable, have been prepared in United States dollars and prepared in accordance with IFRS and U.S. GAAP, respectively. The Annual Financial Statements are subject to audit under Canadian generally accepted auditing standards. FLUENT’s auditors are required to be independent with respect to FLUENT within the meaning of the Code of Conduct of the Chartered Professional Accountants of Ontario.

The Vireo Annual Financial Statements are subject to audit under the standards of the PCAOB. Vireo's auditors are required to be independent with respect to Vireo in accordance with the U.S. federal securities laws and the applicable rules and regulations of the SEC and the PCAOB.

Shareholders subject to United States federal income taxation should be aware that the Arrangement and the acquisition, ownership and disposition of the Consideration Shares issued pursuant to the Arrangement described herein may have tax consequences to them under the tax Laws of Canada and the United States. Shareholders are advised to review the summaries contained in this Circular under the headings "*Certain Income Tax Considerations – Certain Canadian Federal Income Tax Considerations*" and "*Certain Income Tax Considerations – Certain United States Federal Income Tax Considerations*", respectively, and are urged to consult their own tax advisors regarding the tax consequences to them of the Arrangement and the acquisition, ownership and disposition of the Consideration Shares acquired by them pursuant to the Arrangement in light of their particular situation, as well as any tax consequences that may arise under the Laws of any other relevant foreign, state, local, or other taxing jurisdiction.

Subject to certain exemptions, the Consideration Shares to be issued to Shareholders in exchange for their FLUENT Shares pursuant to the Arrangement will not be subject to transfer restrictions under U.S. Securities Laws, except by persons who are "affiliates" (as defined in Rule 144) of Vireo after the Effective Date, or were affiliates of Vireo within 90 days prior to the Effective Date. Persons who may be deemed to be affiliates (as defined in Rule 144) of an issuer include individuals or entities that control, are controlled by, or are under common control with, the issuer, whether through the ownership of voting securities, by contract, or otherwise, and generally include executive officers and directors of the issuer as well as principal shareholders of the issuer. Typically, persons who are directors, executive officers or 10% or greater shareholders of an issuer are considered to be its affiliates. Any resale of Consideration Shares by such an affiliate or former affiliate may be subject to the registration requirements of the U.S. Securities Act, absent an available exemption therefrom, such as the exemption contained in Rule 144. See "*Regulatory Matters and Approvals – U.S. Securities Law Matters*".

The enforcement by Shareholders of civil liabilities under U.S. Securities Laws may be affected adversely by the fact that each of FLUENT and Vireo is organized outside the United States, that some of their respective directors and officers and the experts named in this Circular and the documents incorporated by reference herein are not residents of the United States and that some or a substantial portion of the assets of such persons may be located outside the United States. As a result, it may be difficult or impossible for Shareholders in the United States to effect service of process within the United States upon FLUENT or Vireo, their respective officers and directors, or the experts named herein or in the documents incorporated by reference, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under U.S. Securities Laws. In addition, Shareholders in the United States should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under U.S. Securities Laws; or (b) would enforce, in an original action, liabilities against such persons predicated upon civil liabilities under U.S. Securities Laws.

No broker, dealer, salesperson or other person has been authorized to give any information or make any representation other than those contained in this Circular and, if given or made, such information or representation must not be relied upon as having been authorized by FLUENT or Vireo.

FORWARD-LOOKING INFORMATION

This Circular contains “forward-looking statements” within the meaning of the *United States Private Securities Litigation Reform Act* of 1995, as amended, and “forward-looking information” under applicable Canadian securities legislation. Except for statements of historical fact, information contained herein constitutes forward-looking statements, including, but is not limited to, any information as to (a) the future growth, results of operations, performance, business prospects and opportunities of FLUENT and Vireo; (b) the Arrangement; (c) the integration of FLUENT’s business with the existing operations of Vireo; (d) the impact of the Arrangement on the financial position of FLUENT; and (e) the outlook for Vireo following completion of the Arrangement in respect of its business and the cannabis industry generally based on information currently available. Forward-looking statements are characterized by words such as “plan”, “expect”, “budget”, “target”, “project”, “intend”, “believe”, “anticipate”, “estimate” and other similar words or negative versions thereof, or statements that certain events or conditions “may”, “will”, “should”, “would” or “could” occur. In particular, forward-looking information included in this Circular includes, without limitation, statements with respect to:

- the Meeting;
- the reasons for, and anticipated benefits of, the Arrangement to FLUENT and Shareholders, including corporate, operational, financial and other synergies;
- the structure, steps, timing and effects of the Arrangement, including expectations regarding whether the Arrangement will be completed, the principal steps of the Arrangement, including whether the conditions to completion of the Arrangement will be satisfied, and the anticipated timing for the Effective Date;
- Vireo’s future plans, business prospects and performance, growth potential, financial strength, market profile, revenues, working capital, costs, capital expenditures, investment valuations, income, margins, access to capital, and overall strategy and performance;
- expectations regarding future balance sheet strength and credit ratings of Vireo;
- expectations regarding future equity and enterprise value;
- the anticipated number of Vireo Shares to be issued in connection with the Arrangement, the expected total capitalization of Vireo on a consolidated basis following completion of the Arrangement and the ratio of the Vireo Shares to be held by Former Shareholders and Former Vireo Shareholders following completion of the Arrangement;
- expectations regarding the value and nature of the Consideration payable to Shareholders pursuant to the Arrangement;
- expectation regarding the process and timing of delivery of the Consideration to Shareholders following the Effective Time;
- expectations as to the delivery of the Consideration Shares to the Depositary by Vireo;
- the expected expenses associated with the Arrangement;
- the consequences to FLUENT and FLUENT Securityholders if the Arrangement is not completed;
- expectations regarding the timing and receipt of Shareholder Approval;
- Court approval of the Arrangement, including the receipt, timing and conditions of the Final Order;
- expectations regarding the receipt, timing and conditions of all necessary regulatory and third party approvals, and the expiration of all relevant waiting periods;
- the satisfaction of conditions for listing the Vireo Shares issuable in exchange for the FLUENT Shares pursuant to the Plan of Arrangement and the timing thereof;
- the ability of the Parties to satisfy the other conditions to the Arrangement;
- the expectation that, subject to applicable Laws, FLUENT will cease to be a reporting issuer following completion of the Arrangement and the Common Shares will be delisted from the CSE following completion of the Arrangement;
- the treatment of Options and RSUs;
- the consideration and compensation, if any, to be paid to the directors and officers of FLUENT following completion of the Arrangement;
- the availability of the exemption under Section 3(a)(10) of the U.S. Securities Act for the issuance of the Consideration Shares issuable under the Arrangement;

- the exercise of Dissent Rights by Registered Shareholders with regards to the Arrangement;
- the expected tax treatment of the Arrangement on Shareholders;
- the composition of the shareholders, board of directors and management team of Vireo following the completion of the Arrangement;
- the governance and management structure of Vireo following the completion of the Arrangement;
- the corporate and capital structure of Vireo following the completion of the Arrangement;
- the anticipated capitalization of Vireo on a consolidated basis following completion of the Arrangement;
- the anticipated dividend policy or practices of Vireo following completion of the Arrangement; and
- other events or conditions that may occur in the future.

Forward-looking statements are based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made, and are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include:

- the ability of the Parties to receive, in a timely manner and on satisfactory terms, the necessary regulatory, stock exchange, Court and shareholder approvals, including but not limited to, the U.S. Regulatory Approvals, the Shareholder Approval and the Final Order;
- the ability of the Parties to satisfy, in a timely manner, the other conditions to the closing of the Arrangement and the completion of the Arrangement on expected terms;
- the ability to successfully integrate FLUENT and Vireo in a timely manner following completion of the Arrangement;
- customer demand for Vireo's products following completion of the Arrangement;
- the sufficiency of budgeted capital expenditures in carrying out planned operations and activities;
- the availability and cost of labour and services;
- the success of Vireo's future operations;
- future operating costs;
- the impact of the Arrangement and the dedication of substantial resources from the Parties to pursuing the Arrangement on the Parties' ability to maintain their current business relationships (including with current and prospective employees, customers, distributors, suppliers and partners) and their current and future operations, financial condition and prospects;
- no unforeseen changes in the legislative and operating framework for the business of FLUENT and Vireo, as applicable;
- risks related to the Arrangement, including but not limited to:
 - that the conditions to completion of the Arrangement may not be satisfied, including the listing of the Consideration on the CSE;
 - the Arrangement Agreement may be terminated by any Party in certain circumstances;
 - the failure to complete the Arrangement could negatively impact FLUENT and have an adverse impact on the market price of the Common Shares and/or the current and future operations, financial condition and prospects of FLUENT;
 - the market value of the Consideration Shares to be issued in connection with the Arrangement has and may continue to fluctuate between the date of the Arrangement Agreement and the completion of the Arrangement;
 - the Parties will incur substantial costs in connection with the proposed Arrangement, even if the Arrangement is not completed, including, in certain circumstances, FLUENT may be required to pay the Termination Fee to Vireo if the Arrangement is not completed;
 - the Termination Fee may discourage third parties from attempting to acquire FLUENT;
 - the Arrangement Agreement contains provisions that restrict the ability of FLUENT and the Board to pursue alternatives to the Arrangement and to conduct its business;
 - the focus of management's time and attention on the Arrangement may detract from other aspects of the respective businesses of FLUENT and Vireo;

- the anticipated benefits and value creation from the Arrangement may not be realized, or may not be realized in the expected timeframes;
- the exercise of Dissent Rights may impact Vireo's cash resources or result in the Arrangement not being completed;
- litigation relating to the Arrangement may be commenced which may prevent, delay or give rise to significant costs or liabilities on the part of FLUENT or Vireo;
- the tax consequences of the Arrangement may differ from anticipated treatment;
- the directors, officers and employees of FLUENT may have interests in the Arrangement that differ from those of Shareholders;
- the Arrangement Agreement contains certain restrictions on the ability of FLUENT to conduct its business; and
- the Fairness Opinion does not reflect changes in circumstances that have or may occur since the date of the Arrangement Agreement;
- risks related to Vireo following completion of the Arrangement, including:
 - cannabis remains illegal under U.S. federal law (subject to certain exceptions in relation to medical cannabis) and U.S. state and local regulation of cannabis is uncertain and changing;
 - failure by any Party to comply with applicable Laws prior to the Arrangement could subject Vireo to penalties and other adverse consequences following completion of the Arrangement; and
 - relating to certain of the jurisdictions in which Vireo will operate, in respect of which there have been recent and/or proposed legislation in Cannabis Laws and/or tax Laws;
- risks relating to the Vireo Shares, including:
 - dilution and share price volatility of the Vireo Shares following completion of the Arrangement, including a material decrease in the trading price of the Vireo Shares may occur which could be sustained following the Effective Date;
 - the issuance of Vireo Shares in connection with the Arrangement may result in a "market overhang" and could adversely affect the market price of the Vireo Shares following completion of the Arrangement;
 - the issuance and future sale of Vireo Shares following completion of the Arrangement may result in dilution or have an adverse effect on the share price of Vireo Shares; and
 - risks relating to the business operations of FLUENT and Vireo;
- there may be competing offers for FLUENT which arise as a result of or in connection with the proposed Arrangement.

as well as those factors and risks discussed or referred to in the section entitled "*Risk Factors*" of this Circular and in "*Schedule F – Information Concerning FLUENT*" and "*Schedule G – Information Concerning Vireo*" attached to this Circular and in the documents incorporated by reference herein.

Although FLUENT has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. Forward-looking statements contained in this Circular and in the documents incorporated by reference herein are made as of the date of such information and, accordingly, are subject to change after such date. There can be 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. FLUENT undertakes no obligation to update forward-looking statements if circumstances or management's estimates, assumptions or opinions should change, except as required by applicable Law. The reader is cautioned not to place undue reliance on forward-looking statements.

EXECUTIVE SUMMARY

The following is a summary of certain information contained or incorporated by reference in this Circular, including its Schedules. This summary is not intended to be complete and is qualified in its entirety by the more detailed information contained elsewhere in this Circular, the attached Schedules and in the documents incorporated by reference, all of which are important and should be reviewed carefully. Capitalized terms used in this summary without definition have the meanings ascribed to them in the "Glossary of Terms". Shareholders are urged to read this Circular, the attached Schedules and the documents incorporated by reference carefully in their entirety.

Information Concerning the Meeting

The Meeting will be held at the offices of Cassels Brock & Blackwell LLP, Suite 3200, Bay Adelaide Centre – North Tower, 40 Temperance St., Toronto, Ontario on July 28, 2026 at 9:30 a.m. (EDT), subject to any adjournment or postponement thereof.

FLUENT has elected to use the "notice-and-access" provisions provided for under NI 54-101 to deliver the Meeting materials to Shareholders, including the Notice of Meeting, this Circular and Annual Financial Statements and the Annual MD&A. This means that, rather than receiving paper copies of the Meeting materials in the mail, Shareholders as of the Record Date will have access to electronic copies of the Meeting materials on FLUENT's website at www.investors.getfluent.com and under FLUENT's profile on SEDAR+ at www.sedarplus.ca. The Meeting materials will remain on FLUENT's website for a period of one year.

Shareholders will receive a package in the mail containing a Notice of Availability of Meeting materials explaining how to access and review the Meeting materials electronically and how to request a paper copy of such materials free of charge, and a proxy form or a voting instruction form so Shareholders can vote their Voting Shares. In addition, the package will include a place to request copies of the Annual Financial Statements, the Annual MD&A and/or the Interim Financial Statements and Interim MD&A and a consent for electronic delivery. FLUENT believes that notice-and-access will substantially reduce printing, paper and postage costs and is a more environmentally friendly and cost-effective way to distribute the Meeting materials to Shareholders.

Prior to the Meeting and for up to one year thereafter, those Shareholders who wish to receive paper copies of the Meeting materials may request them from Odyssey by calling toll-free at 1(888) 290-1175 (within North America) or 1(587) 885-0960 (outside of North America). If a request for paper copies is received before the Meeting, the Meeting materials will be sent to such Shareholders at no cost within three Business Days of the request. If a request for paper copies is received on or after the date of the Meeting, and within one year of the Meeting materials being filed, the Meeting materials will be sent to such Shareholders within 10 calendar days after receiving the request. To receive paper copies of the Meeting materials in advance of the proxy deposit deadline, your request should be received by Odyssey no later than July 14, 2026.

The Board has fixed, and the Interim Order provides for, the close of business on June 12, 2026, as the Record Date for the determination of Shareholders that will be entitled to receive notice of the Meeting, and any adjournment or postponement thereof, and that will be entitled to vote at the Meeting (subject, in the case of voting by proxy, to the timely deposit of a properly completed, signed and dated form of proxy with FLUENT's registrar and transfer agent, Odyssey, as specified herein and in the Notice of Meeting). Only Registered Shareholders and duly appointed proxyholders (including Non-Registered Shareholders who have appointed themselves as proxyholders) will be able to attend, ask questions and vote at the Meeting.

At the Meeting, Shareholders will be asked to approve the Arrangement Resolution, the full text of which is set out in Schedule A to this Circular. In order for the Arrangement to become effective, the Arrangement Resolution must be approved by the affirmative vote of at least 66^{2/3}% of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting, voting as a single class. Each Shareholder of record at the close of business on the Record Date shall be entitled to vote on the Arrangement Resolution.

The Board has approved the terms of the Arrangement Agreement and the Plan of Arrangement and unanimously recommends that the Shareholders vote **IN FAVOUR** of the Arrangement Resolution.

At the Meeting, Shareholders will also be asked to elect the nominee directors to the Board. If elected at the Meeting, each such nominee director will hold office until the next annual meeting of Shareholders or until his or her successor is duly elected or appointed.

The Board also recommends that Shareholders vote **IN FAVOUR** of the election to the Board of the nominee directors designated by management of FLUENT to hold office until the next annual meeting of Shareholders or until a successor is duly elected or appointed.

At the Meeting, Shareholders will also be asked to consider and, if deemed advisable, to approve, an ordinary resolution re-appointing PKF O'Connor Davies, LLP as auditors of FLUENT, to hold office until the close of the next annual meeting of Shareholders or until a successor is appointed, and to authorize the Board to fix their remuneration.

The Board unanimously recommends that Shareholders vote **IN FAVOUR** of the re-appointment of PKF O'Connor Davies, LLP.

See "*Business of the Meeting*", "*Information Concerning the Meeting*", "*Regulatory Matters and Approvals – Shareholder Approvals*", and "*The Arrangement – Recommendation of the Board*".

The Arrangement

On April 29, 2026, FLUENT and Vireo entered into the Arrangement Agreement, as amended on June 8, 2026, FLUENT and Vireo entered into the Arrangement Agreement pursuant to which Vireo agreed to acquire all of the issued and outstanding FLUENT Shares. The Arrangement will be effected by way of a court-approved Plan of Arrangement under the OBCA involving FLUENT and Vireo pursuant to the terms of the Arrangement Agreement, the Interim Order and the Final Order. If completed, the Arrangement will result in FLUENT becoming a wholly-owned Subsidiary of Vireo and Vireo will continue the operations of Vireo and FLUENT.

Pursuant to the Plan of Arrangement, at the Effective Time, Shareholders (other than Dissenting Shareholders) will receive 0.002351197 Vireo Shares for each Common Share (after conversion of all (i) Proportionate Voting Shares and (ii) Non-Voting Shares) held at the Effective Time.

Background to the Arrangement

The Arrangement Agreement is the culmination of an extensive process of exploring value-enhancing possibilities for Shareholders and is the direct result of arm's length negotiations among representatives of FLUENT and Vireo and their respective legal and financial advisors, as more fully described herein.

See "*The Arrangement – Background to the Arrangement*".

Recommendation of the Special Committee

The Special Committee, having undertaken a thorough review of, and having carefully considered the terms of the Arrangement and the Arrangement Agreement, and after consulting with representatives of Management and its financial and legal advisors, including having received and taken into account the Fairness Opinion and such other matters as it considered necessary and relevant, including the factors set out below under the heading "*The Arrangement – Reasons for the Recommendation of the Special Committee and the Board*", unanimously determined that the Arrangement and entering into the Arrangement Agreement are in the best interests of FLUENT and that the Arrangement is fair to Shareholders, and the Special Committee recommended to the Board to authorize FLUENT to enter into the Arrangement Agreement and all related agreements and to recommend that Shareholders vote **IN FAVOUR** of the Arrangement Resolution.

See "*The Arrangement – Recommendation of the Special Committee*".

Recommendation of the Board

The Board, having undertaken a thorough review of, and having carefully considered the terms of the Arrangement and the Arrangement Agreement, and after consultation with representatives of Management and its financial and legal advisors, having received the unanimous recommendation of the Special Committee, following receipt of the Fairness Opinion, and having received and taken into account such other matters as it considered necessary and relevant, including the factors set out below under the heading “*The Arrangement – Reasons for the Recommendation of the Special Committee and the Board*”, unanimously (with interested directors abstaining from voting) determined that the Arrangement and entering into the Arrangement Agreement are in the best interests of FLUENT and are fair to the Shareholders, approved the Arrangement and authorized FLUENT to enter into the Arrangement Agreement and all related agreements.

The Board unanimously recommends that Shareholders vote IN FAVOUR of the Arrangement Resolution.

See “*The Arrangement – Recommendation of the Board*”.

Reasons for the Recommendation of the Special Committee and the Board

In reaching their conclusions and formulating their respective unanimous recommendations, the Special Committee and the Board consulted with Management and their respective legal and financial advisors. The Special Committee and the Board also reviewed a significant amount of financial information relating to FLUENT and Vireo and considered a number of factors, including those listed below. The following is a summary of the principal reasons for the unanimous recommendations of the Special Committee and the Board that Shareholders vote **IN FAVOUR** of the Arrangement Resolution.

1. **Strategic Review:** The Arrangement is the result of a comprehensive strategic review process conducted with the assistance of independent financial advisors and legal advisors and overseen by the Special Committee, which included a review of, among other things, prevailing market conditions as well as potential alternatives to maximize shareholder value while negotiating a transaction with Vireo.
2. **Diversification across U.S. Markets and Scale in Florida:** Following the completion of the Arrangement, FLUENT will gain exposure to a larger multi-state operator currently operating in 10 states across the U.S. Following completion of the Arrangement, Vireo is expected to deepen its presence in Florida with approximately 74 stores and approximately 144,000 square feet of combined cultivation and production canopy, creating a leading operator with scale in Florida’s medical cannabis market.
3. **Operational Efficiencies:** Cost synergy opportunities are expected to be realized from anticipated cultivation, processing and operating efficiencies, corporate integration and eliminating duplicative public company costs.
4. **Enhancing Shareholder Value:** The Special Committee and the Board considered FLUENT’s existing levels of indebtedness, liquidity position, and that, in an increasingly competitive industry, FLUENT will require additional funding in the future from the debt or equity markets to finance its business and operations. The Special Committee and the Board also considered the challenges and risks with respect to securing such funding in a reasonable time, or in full. Following completion of the Arrangement, Shareholders will have an ownership interest in a larger entity with access to capital.
5. **Enhanced Liquidity in Dollar Terms:** Following completion of the Arrangement, Shareholders will hold Vireo Shares, and it is expected that Shareholders will be able to benefit from the stronger liquidity in dollar terms of Vireo Shares relative to Common Shares.

6. **Strong Cash Balance and Leverage Profile:** Vireo is expected to be well capitalized with a pro forma cash balance (including restricted cash) of approximately \$146 million as of March 31, 2026. This cash balance is particularly noteworthy in the industry's currently capital scarce environment. Additionally, Vireo is expected to have a low leverage profile.
7. **Fairness Opinion:** The Special Committee and the Board received a fairness opinion from ATB Cormark dated as of April 29, 2026, which was delivered verbally and subsequently confirmed in writing, as to the fairness to Shareholders, from a financial point of view and as of the date of the opinion, of the Consideration to be received by the Shareholders, based upon and subject to the various assumptions, limitations and qualifications set forth in such opinion, as more fully described below.
8. **Business Climate and Review of Strategic Alternatives:** After consultation on the proposed Arrangement with their respective financial and legal advisors, and after review of the current and prospective business climate in the cannabis industry and other strategic opportunities reasonably available to FLUENT, including continuation as an independent enterprise and other potential acquisitions or transactions, in each case taking into account the potential benefits, risks and uncertainties associated with those other opportunities, the Special Committee and the Board believe that the Arrangement represents FLUENT's best prospect for maximizing value for Shareholders.
9. **Support of the Board and Management Team:** The boards of directors of both companies have unanimously (with interested directors abstaining from voting) recommended support for the Arrangement. Additionally, all of the directors and members of executive management of FLUENT have entered into voting and support agreements dated April 29, 2026 (the "**Support Agreements**") pursuant to which they have agreed, among other things, to vote in favour of the Arrangement Resolution. The Support Agreements include key shareholders and relate to FLUENT Shares comprising approximately 38.3% of the issued and outstanding Common Shares (after conversion of all (i) Proportionate Voting Shares and (ii) Non-Voting Shares) as of the announcement date of the Arrangement.
10. **Arm's Length Transaction:** The Arrangement Agreement is the result of arm's length negotiations and includes terms and conditions that are reasonable in the judgment of the Special Committee and the Board.
11. **Ability to Close:** FLUENT and Vireo are committed to completing the Arrangement and have proven track records of completing their respective previously announced transactions.
12. **Superior Proposal:** Pursuant to the Arrangement Agreement, the Board remains able to respond to an unsolicited written Acquisition Proposal on the specific terms and conditions set forth in the Arrangement Agreement.
13. **Shareholder Approval:** The Arrangement Resolution must be approved by the affirmative vote of at least 66^{2/3}% of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting, voting as a single class.
14. **Court Approvals:** The Arrangement is subject to a judicial determination of the Court that the Arrangement is fair and reasonable, both procedurally and substantively, to Shareholders and other affected persons.
15. **Dissent Rights:** Registered Shareholders entitled to vote at the Meeting have the ability to exercise Dissent Rights and to receive fair value for their FLUENT Shares as determined by the Court, subject to strict compliance with all requirements applicable to the exercise of Dissent Rights.

See “*The Arrangement – Reasons for the Recommendation of the Special Committee and the Board*”.

Fairness Opinion

ATB Cormark was retained by the Special Committee (for and on behalf of itself and the Board) to act as financial advisor to the Special Committee in connection with the Arrangement. The engagement includes providing the Special Committee with financial advisory services related to the Arrangement, including providing an opinion to the Special Committee and the Board as to the fairness, from a financial point of view, of the Consideration to be received by the Shareholders pursuant to the Arrangement.

At a meeting of the Special Committee and the Board held on April 29, 2026 to consider the Arrangement, ATB Cormark orally delivered its opinion to the Special Committee and the Board, respectively, which was subsequently confirmed in writing, to the effect that, as at the date thereof and based upon and subject to the assumptions, limitations, qualifications and other matters set out therein, the Consideration to be received by Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders.

The full text of the Fairness Opinion, setting out, among other things, the scope of review, the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Fairness Opinion, is attached to this Circular as Schedule C. **This summary of the Fairness Opinion is qualified in its entirety by the full text of the opinion.**

Pursuant to the terms of the engagement letter with ATB Cormark dated February 2, 2026, among other things, FLUENT agreed to pay ATB Cormark: (i) a monthly work fee for each month that ATB Cormark provides services relating to the Arrangement, provided that the monthly work fee will not be payable after November 30, 2026, regardless of whether or not the Arrangement is completed, and provided further that if the Arrangement is completed prior to November 30, 2026, all unpaid work fees that would otherwise have been paid between the closing date of the Arrangement and November 30, 2026 will be payable at the time of closing; and (ii) a fixed fee for rendering the Fairness Opinion (which is not contingent on the conclusions reached in the Fairness Opinion or the completion of the Arrangement).

If the Arrangement does not proceed and the Arrangement Agreement or such other definitive agreement that may be entered into by FLUENT is terminated, FLUENT will be required to pay ATB Cormark a fee equal to 25% of any break-up, termination, topping, expense reimbursement or similar fee payment payable to FLUENT, less any portion of the work fee and/or the Fairness Opinion fixed fee, subject to the limits prescribed by the engagement letter. Additionally, if during the term of the engagement letter or within 12 months following the termination of the engagement letter, subject to certain exceptions, FLUENT completes a transaction with a third party other than Vireo, FLUENT will be required to pay ATB Cormark a transaction fee equal to 1.5% of the transaction value in certain circumstances.

FLUENT has also agreed to reimburse ATB Cormark for its reasonable and documented expenses incurred in connection with its services including, but not limited to, travel expenses, out-of-pocket fees, and disbursements of ATB Cormark’s legal counsel, subject to a maximum of C\$25,000 (exclusive of taxes and disbursements), and to indemnify ATB Cormark against certain liabilities that might arise out of its engagement. The payment of expenses is not dependent on the completion of the Arrangement.

See “*The Arrangement – Fairness Opinion*” and “*Schedule C – Fairness Opinion*”.

Principal Steps of the Arrangement

Immediately prior to the Effective Time, on the terms and subject to the conditions of the Arrangement Agreement and in accordance with the terms of the FLUENT RSU Plan and FLUENT Option Plan, as applicable: (i) each RSU, whether vested or unvested, will vest and be settled by FLUENT in exchange for one Common Share, less any applicable withholdings immediately prior to the Effective Time; and (ii) each Option, will accelerate in full and be terminated immediately prior to the Effective Time for no consideration, provided that FLUENT will, in accordance with the FLUENT Option Plan, deliver the Option Notices to permit such holders the opportunity to exercise their respective Options prior to such termination.

The following description of the Plan of Arrangement is qualified in its entirety by reference to the full text of the Plan of Arrangement, which is attached to this Circular as Schedule B.

If the Arrangement Resolution is approved at the Meeting, the Final Order approving the Arrangement is issued by the Court and the other applicable conditions to the completion of the Arrangement are satisfied or waived, the Arrangement will take effect commencing at the Effective Time, which is expected to be at 12:01 a.m. (EDT) on the Effective Date, which is expected to occur in the fourth quarter of 2026. Commencing and effective as at the Effective Time, each of the events set out below will occur and will be deemed to occur sequentially in the following order without any further act or formality required on the part of any person, unless stated otherwise:

- The FLUENT RSU Plan, the FLUENT Option Plan and all agreements relating to the RSUs and Options will be terminated and will be of no further force and effect.
- Each FLUENT Share held by a Dissenting Shareholder in respect of which Dissent Rights have been validly exercised will be transferred without any further act or formality to FLUENT (free and clear of any Liens of any nature whatsoever) for cancellation and will be cancelled, and upon such transfer: (i) such Dissenting Shareholder will cease to be, and will be deemed to cease to be, the holder of such FLUENT Shares and to have any rights as a Shareholder in respect of such FLUENT Shares other than the right to be paid the fair value by FLUENT for such FLUENT Shares as set out in the Plan of Arrangement; and (ii) such Dissenting Shareholder's name will be, and will be deemed to be, removed from the securities register of Shareholders maintained by or on behalf of FLUENT.
- Each Proportionate Voting Share (excluding any Proportionate Voting Shares held by a Dissenting Shareholder in respect of which Dissent Rights have been validly exercised) outstanding immediately prior to the Effective Time will be exchanged with FLUENT for 10 Common Shares, and upon such exchange: (i) each such exchanged Proportionate Voting Share will be cancelled, and the holder of such exchanged Proportionate Voting Share will be removed from the securities register of Shareholders maintained by or on behalf of FLUENT in respect of the Proportionate Voting Shares; (ii) each holder of such exchanged Proportionate Voting Share will be entered in the securities register of Shareholders maintained by or on behalf of FLUENT in respect of the Common Shares issued to such holder; and (iii) FLUENT will add an amount to the stated capital account maintained in respect of the Common Shares equal to the aggregate "paid-up capital" (within the meaning of the Tax Act) of the Proportionate Voting Share immediately prior to the exchange.
- Each Non-Voting Share (other than Non-Voting Shares held by a Dissenting Shareholder in respect of which Dissent Rights have been validly exercised) outstanding immediately prior to the Effective Time will be exchanged with FLUENT for one Common Share, and upon such exchange: (i) each such exchanged Non-Voting Share will be cancelled, and the holder of such exchanged Non-Voting Share will be removed from the securities register of Shareholders maintained by or on behalf of FLUENT in respect of the Non-Voting Shares; (ii) each holder of such exchanged Non-Voting Share will be entered in the securities register of Shareholders maintained by or on behalf of FLUENT in respect of the Common Shares issued to such holder; and (iii) FLUENT will add an amount to the stated capital account maintained in respect of the Common Shares equal to the aggregate "paid-up capital" (within the meaning of the Tax Act) of the Non-Voting Share immediately prior to the exchange.
- Each Common Share held by a Shareholder (excluding (x) Common Shares held by a Dissenting Shareholder in respect of which Dissent Rights have been validly exercised; and (y) Common Shares held by Vireo or any of its affiliates) including, for greater certainty, any Common Shares issued to holders of Proportionate Voting Shares or Non-Voting Shares, will be and will be deemed to be transferred and assigned by the holder thereof, without any further act or formality on its part, to Vireo (free and clear of any Liens of any nature whatsoever), solely in exchange for the Consideration Shares, less any amounts withheld pursuant to the provisions of the Plan of

Arrangement, and upon such exchange (i) each Shareholder of such exchanged Common Share will cease to be, and will be deemed to cease to be, the holder thereof and to have any rights as a Shareholder other than the right to receive the Consideration Shares issuable in respect of such Common Shares in accordance with the Plan of Arrangement; (ii) the name of each such Shareholder will be, and will be deemed to be, removed from the securities register of the Shareholders maintained by or on behalf of FLUENT; and (iii) Vireo will be, and will be deemed to be, the legal and beneficial owner of such transferred Common Shares and will be entered in FLUENT's securities register for the Common Shares as the sole holder thereof.

See "*The Arrangement – Principal Steps of the Arrangement*".

Timing for Completion of the Arrangement

Subject to the provisions of the Arrangement Agreement, the Arrangement will become effective at the Effective Time on the Effective Date, being the date on which all of the conditions to completion of the Arrangement as set out in the Arrangement Agreement (excluding any conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or waiver of those conditions) have been satisfied or waived in accordance with the Arrangement Agreement, all documents agreed to be delivered thereunder have been delivered to the satisfaction of the recipient, acting reasonably, and the Certificate of Arrangement has been issued by the Director.

If the Final Order is obtained in a form and substance satisfactory to FLUENT and Vireo, and all other conditions set forth in the Arrangement Agreement are satisfied or waived by the applicable Party, the Parties expect the Effective Date to occur in the fourth quarter of 2026, following the receipt of any required Regulatory Approvals or consents. However, it is not possible at this time to state with certainty when the Effective Date will occur as completion of the Arrangement may be delayed beyond this date if the conditions to completion of the Arrangement cannot be met on a timely basis.

The Effective Date could be delayed for a number of reasons, including, but not limited to, an objection before the Court at the hearing of the application for the Final Order or any delay in obtaining any required Regulatory Approvals or consents, including the U.S. Regulatory Approvals, that remain outstanding. FLUENT and Vireo may determine not to complete the Arrangement without prior notice to or action on the part of, Shareholders or Vireo Shareholders.

See "*The Arrangement – Timing for Completion of the Arrangement*".

Procedure for Exchange of FLUENT Shares for Consideration and Letter of Transmittal

Registered Shareholders

A Letter of Transmittal will be mailed to each person who was a Registered Shareholder on the Record Date. FLUENT has enclosed a return envelope with the Letter of Transmittal in order to assist Registered Shareholders with returning their Letter of Transmittal and related documents to the Depositary. The Letter of Transmittal will also be available under FLUENT's issuer profile on SEDAR+ at www.sedarplus.ca and on FLUENT's website at www.investors.getfluent.com. Additional copies of the Letter of Transmittal will also be available by contacting the Depositary at 1(888) 290-1175 toll free in North America, or at 1(587) 885-0960 outside of North America, or by email at corp.actions@odysseytrust.com.

In order to receive the Consideration that a Registered Shareholder (other than a Dissenting Shareholder) is entitled to receive under the Arrangement, each Registered Shareholder must deposit a properly completed and duly executed Letter of Transmittal along with the accompanying certificate(s) or DRS Statement(s) representing their FLUENT Shares to the Depositary (at the address specified in the Letter of Transmittal), together with all other documents and instruments referred to in the Letter of Transmittal or as reasonably required by the Depositary.

Non-Registered Shareholders

Only Registered Shareholders are required to submit a Letter of Transmittal. The exchange of FLUENT Shares for the Consideration in respect of any Non-Registered Shareholder is expected to be made with the Non-Registered Shareholder's Intermediary account through the procedures in place for such purposes between CDS or DTC and such Intermediary, as applicable, with no further action required by the Non-Registered Shareholder.

Any Non-Registered Shareholder whose FLUENT Shares are registered in the name of an Intermediary should contact that Intermediary if they have any questions regarding this process and to arrange for such Intermediary to complete the necessary steps to ensure that they receive the Consideration in respect of their FLUENT Shares.

See "*The Arrangement – Procedure for Exchange of FLUENT Shares for Consideration, Letter of Transmittal*".

Cancellation of Rights

From and after the Effective Date, certificates or DRS Statements formerly representing FLUENT Shares, other than Dissent Shares, which are held by a Shareholder will represent only the right to receive the Consideration payable therefor under the Arrangement (after giving effect to any applicable tax withholdings). To the extent that a Former Shareholder has not complied with the provisions of the Plan of Arrangement, including, failing to deliver to the Depositary a duly completed Letter of Transmittal, the certificate(s) or DRS Statement(s) representing their FLUENT Shares or any other certificates, documents or instruments required to be delivered to the Depositary under the Plan of Arrangement in order for such Former Shareholder to receive the Consideration which such Former Shareholder is entitled to receive pursuant to the Plan of Arrangement, on or before the date that is the sixth anniversary of the Effective Date, then on the sixth anniversary of the Effective Date, (i) any Consideration Shares to which such Former Shareholder would otherwise have been entitled to receive, together with any distributions or dividends such holder would otherwise have been entitled to receive pursuant to the Plan of Arrangement, will be deemed to have been surrendered for no consideration to Vireo; and (b) any certificate(s), DRS Statement(s) or other documentation representing FLUENT Shares formerly held by such Former Shareholder will cease to represent a claim or interest of any nature whatsoever.

See "*The Arrangement – Cancellation of Rights*".

Treatment of Fractional Consideration Shares

In no event will any Shareholder be entitled to a fractional Vireo Share. Where the aggregate number of Consideration Shares to be issued to a Shareholder would result in a fraction of a Vireo Share being issuable, the number of Vireo Shares to be received by such Shareholder will be rounded down to the nearest whole Vireo Share without any additional compensation.

See "*The Arrangement – Treatment of Fractional Consideration Shares*".

Regulatory Matters and Approvals

Other than the U.S. Regulatory Approvals, the Shareholder Approval and the Final Order, FLUENT is not aware of any material approval, consent or other action by any federal, provincial, state or foreign government or any administrative or regulatory agency that would be required to be obtained in order to complete the Arrangement. In the event that any such approvals or consents are determined to be required, such approvals or consents will be sought. Any such additional requirements could delay the Effective Date or prevent the completion of the Arrangement. While there can be no assurance that any regulatory consents or approvals that are determined to be required will be obtained, FLUENT currently anticipates that any such consents and approvals that are determined to be required will have been obtained or otherwise resolved by the Effective Date. Subject to receipt of the U.S. Regulatory Approvals, the

Shareholder Approval and the Final Order and the satisfaction or waiver of all other conditions specified in the Arrangement Agreement, the Effective Date is expected to occur in the fourth quarter of 2026.

See “*Regulatory Matters and Approvals*”.

Shareholder Approvals

At the Meeting, pursuant to the Interim Order, Shareholders will be asked to consider and, if deemed advisable, to pass, the Arrangement Resolution, the full text of which is set out in Schedule A to this Circular. In order for the Arrangement to become effective, the Arrangement Resolution must be approved, with or without variation, by the affirmative vote of at least 66^{2/3}% of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting, voting as a single class. If the Arrangement Resolution is not approved by the requisite majority of Shareholders at the Meeting, the Arrangement cannot be completed.

See “*Regulatory Matters and Approvals – Shareholder Approvals – Shareholder Approval*”.

Court Approvals

The Arrangement requires approval by the Court under section 182 of the OBCA. On June 11, 2026, FLUENT obtained the Interim Order providing for the calling and holding of the Meeting and other procedural matters. A copy of the Interim Order and the Notice of Application are attached hereto as Schedule D.

Under the Arrangement Agreement, FLUENT is required to seek the Final Order as soon as reasonably practicable but in any event not later than three Business Days following the approval of the Arrangement Resolution by Voting Shareholders at the Meeting. The Court hearing in respect of the Final Order is expected to take place on or about August 4, 2026. Persons wishing to participate, be represented or present evidence or arguments at the hearing may do so, subject to filing a notice of appearance and satisfying certain other requirements as set out in the Interim Order.

At the hearing of the application for the Final Order, the Court will consider, among other things, the procedural and substantive fairness of the terms and conditions of the Arrangement and the rights and interests of every person affected. The Court has broad discretion under the OBCA when making orders with respect to the Arrangement. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit. The Court may approve the Arrangement, either as proposed or as amended, on, or substantially on, the terms presented. Depending upon the nature of any required amendments, FLUENT and/or Vireo may determine not to proceed with the transactions contemplated in the Arrangement Agreement.

The Consideration Shares to be issued to Shareholders in exchange for their FLUENT Shares pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or applicable U.S. state securities laws and will be issued and exchanged in reliance upon the exemption from the registration requirements of the U.S. Securities Act set forth in Section 3(a)(10) thereof and similar exemptions provided by the applicable U.S. state securities laws. Section 3(a)(10) of the U.S. Securities Act exempts from registration a security that is issued in exchange for outstanding securities, claims or property interests from the general requirement of registration under the U.S. Securities Act where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction that is expressly authorized by law to grant such approval, after a hearing upon the fairness of the terms and conditions of such issuance and exchange to those to whom the securities will be issued, at which all persons to whom it is proposed to issue the securities have the right to appear and receive timely and adequate notice thereof. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Court will be advised before the hearing of the application for the Final Order that if the terms and conditions of the Arrangement, and the fairness thereof, are approved by the Court, the Final Order will be relied upon as a basis for the exemption from the registration requirements of the U.S. Securities Act set forth in Section 3(a)(10) thereof with respect to the Consideration Shares to be issued in exchange for the FLUENT Shares pursuant to the Arrangement.

Accordingly, the Final Order of the Court will, if granted, constitute a basis for the exemption from the registration requirements of the U.S. Securities Act with respect to the issuance and exchange of the Consideration Shares in connection with the Arrangement.

Under the terms of the Interim Order, each FLUENT Securityholder, each director of FLUENT, the auditor of FLUENT and any other interested party with leave of the Court, will have the right to appear and make submissions at the application for the Final Order, subject to such party filing with the Court and serving upon counsel to FLUENT: Cassels Brock & Blackwell LLP, Suite 3200, Bay Adelaide Centre – North Tower, 40 Temperance Street, Toronto, Ontario M5H 0B4, Attention: Lara Jackson, a notice of appearance in the form required by the Court's rules, including such party's address for service, and any additional affidavits or other materials on which a party intends to rely, as soon as reasonably practicable, and in any event, no later than 5:00 p.m. (EDT) on July 31, 2026, or the second last Business Day before the hearing of the application or such other date as the Court may order. There can be no assurance that the Court will approve the Arrangement.

Subject to the Court ordering otherwise, only those persons who file a notice of appearance as set out in the Notice of Application and satisfy certain other requirements as set out in the Interim Order will be provided with notice of the materials to be filed with the Court and the opportunity to make submissions in support or opposition of the Final Order. In the event that the hearing is postponed, adjourned or rescheduled, then, subject to further order of the Court, only those persons having previously served a notice of appearance in compliance with the Interim Order will be given notice of the postponement, adjournment or rescheduled date.

See "*Regulatory Matters and Approvals – Court Approvals*".

U.S. Regulatory Approvals

The consummation of the Arrangement will require certain U.S. state regulatory approvals, which are required to be obtained as a condition precedent to completion of the Arrangement. Pursuant to the Arrangement Agreement, FLUENT and Vireo will notify the applicable state cannabis regulators of the Arrangement and will cooperate with each other to submit any required regulatory filings, complete any required background checks, and provide any additional information required by the applicable regulatory authorities in connection with their review.

See "*Regulatory Matters and Approvals – U.S. Regulatory Approvals*".

Stock Exchange Listing

The Common Shares are listed and posted for trading on the CSE under the trading symbol "FNT.U" and are quoted on the OTCQB Venture Market under the symbol "CNTMF". The Vireo Shares are listed and posted for trading on the CSE under the trading symbol "VREO" and are quoted on the OTCQX Market under the symbol "VREOF".

Pursuant to the Arrangement Agreement, Vireo has agreed to make the required filings with the CSE to list the Consideration Shares on the CSE, other than customary post-closing filings required to be submitted within the applicable timeframe pursuant to the rules of the CSE.

Pursuant to the Arrangement Agreement, FLUENT and Vireo have, subject to applicable Laws, agreed to use their commercially reasonable efforts to take, or cause to take, all actions necessary to cause (i) the Common Shares to be delisted from the CSE and the OTCQB Venture Market after the Effective Time, and (ii) FLUENT to cease to be a reporting issuer under applicable Securities Laws as promptly as practicable following the Effective Date.

See "*Regulatory Matters and Approvals – Stock Exchange Listing*".

Canadian Securities Law Matters

FLUENT is a reporting issuer in each of the provinces of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island and Saskatchewan. The Common Shares currently trade on the CSE. It is expected that the Common Shares will be delisted from the CSE as promptly as practicable following completion of the Arrangement and, subject to applicable Laws, Vireo will, as promptly as practicable following completion of the Arrangement, apply to the applicable Canadian Securities Authorities to have FLUENT cease to be a reporting issuer in all jurisdictions in which it is a reporting issuer and thus will terminate FLUENT's reporting obligations in Canada following completion of the Arrangement.

Vireo is a reporting issuer under Canadian Securities Laws in each of the provinces of Alberta, British Columbia and Ontario. The Vireo Shares currently trade on the CSE under the symbol "VREO" and are quoted on the OTCQX Market under the symbol "VREOF". It is anticipated that, following completion of the Arrangement, the Vireo Shares will continue to be listed and posted for trading on the CSE under the symbol "VREO" and are quoted on the OTCQX Market under the symbol "VREOF".

Multilateral Instrument 61-101

FLUENT is subject to MI 61-101, which governs certain transactions that raise the potential for conflicts of interest, specifically issuer bids, insider bids, related party transactions and business combinations. The Arrangement is not considered to be a "business combination" in respect of FLUENT, and as a result, no "minority approval" is required for the Arrangement Resolution. In addition, since the Arrangement does not constitute a business combination, no formal valuation of FLUENT is required for the Arrangement under MI 61-101.

See "*Regulatory Matters and Approvals – Canadian Securities Law Matters*" and "*Interests of Certain Persons or Companies in the Arrangement*".

U.S. Securities Law Matters

The Consideration Shares to be issued to Shareholders in exchange for their FLUENT Shares pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or the securities Laws of any state of the United States and will be issued and exchanged in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof and similar exemptions provided under the securities Laws of each state of the United States in which Shareholders reside.

See "*Regulatory Matters and Approvals – U.S. Securities Law Matters*".

Transaction Agreements

The Arrangement Agreement

On April 29, 2026, the Arrangement Agreement became effective pursuant to which, among other things, Vireo agreed to acquire all of the issued and outstanding FLUENT Shares. The Arrangement Agreement was amended on June 8, 2026.

See "*Transaction Agreements – The Arrangement Agreement*" and the Arrangement Agreement, which has been filed by FLUENT under its issuer profile on SEDAR+ at www.sedarplus.ca.

The Support Agreements

On April 29, 2026, in connection with the Arrangement, each of the Supporting Shareholders entered into a Support Agreement with Vireo. As of April 29, 2026, the Supporting Shareholders collectively owned, directly or indirectly, or exercised control or direction over, an aggregate of 229,850,647 Common Shares and 1,421,538 Proportionate Voting Shares, representing approximately 38.3% of the issued and outstanding FLUENT Shares on a non-diluted basis, assuming conversion of all (i) Proportionate Voting Shares and (ii) Non-Voting Shares.

See “*Transaction Agreements – The Support Agreements*” and the forms of Support Agreements, which have been filed by FLUENT and Vireo, respectively, under their issuer profiles on SEDAR+ at www.sedarplus.ca.

The FLUENT Credit Equitization Agreement

On April 29, 2026, in connection with the Arrangement, FLUENT entered into the FLUENT Credit Equitization Agreement with the Lenders. Pursuant to the terms of the FLUENT Credit Equitization Agreement, among other things, FLUENT and the Lenders agreed that certain Lenders will exchange an aggregate of \$30 million of outstanding indebtedness under the FLUENT Credit Agreement for approximately 1,701,261,364 Common Shares. Such Common Shares will, subject to the terms of the FLUENT Credit Equitization Agreement, be issuable to the applicable Lenders immediately prior to the Effective Time and will be exchanged, in accordance with the terms of the Arrangement, into an aggregate of 120,000,000 Vireo Shares on a pre-Share Consolidation basis, upon completion of the Arrangement. See “*Transaction Agreements – FLUENT Credit Equitization Agreement*” and the FLUENT Credit Equitization Agreement, which has been filed by FLUENT under its issuer profile on SEDAR+ at www.sedarplus.ca.

Effect of the Arrangement on Share Rights

Pursuant to the Plan of Arrangement, Registered Shareholders (other than Dissenting Shareholders) will receive Consideration Shares in exchange for their FLUENT Shares. The rights of Shareholders are currently governed by the applicable Laws of the Province of Ontario and the OBCA, and FLUENT’s articles and bylaws. Since Vireo is a British Columbia corporation, the rights of Vireo Shareholders are governed by the applicable Laws of the Province of British Columbia and the BCBCA, and by Vireo’s articles. Since Vireo Shares will be issued in exchange for FLUENT Shares, at the Effective Time, Registered Shareholders that are issued Vireo Shares will cease to hold shares governed by the OBCA and will instead hold, or be entitled to hold, shares governed by the BCBCA. Although the rights and privileges of shareholders under the BCBCA are in many instances comparable to those under the OBCA, there are several differences.

See Schedule K – “*Comparison of Shareholder Rights Under the OBCA and the BCBCA*” to this Circular for a summary of the rights of shareholders under the OBCA as compared to shareholders under the BCBCA. This summary is not intended to be exhaustive and Shareholders should consult their legal advisors regarding all of the implications of the effects of the Arrangement on such Shareholders’ rights.

Rights of Dissenting Shareholders

The Interim Order expressly provides Registered Shareholders with Dissent Rights in respect of the Arrangement Resolution pursuant to section 185 of the OBCA, as modified by the Plan of Arrangement and the Interim Order. Only Registered Shareholders who exercise Dissent Rights in respect of the Arrangement Resolution in strict compliance with section 185 of the OBCA, as modified by the Plan of Arrangement and the Interim Order, will be entitled, in the event that the Arrangement becomes effective, to be paid by FLUENT the fair value of the FLUENT Shares held by such Dissenting Shareholders determined as at the close of business on the day before the Arrangement Resolution is adopted.

A Registered Shareholder entitled to vote at the Meeting who wishes to exercise their Dissent Rights is required to deliver a written objection to the Arrangement Resolution to FLUENT not later than 5:00 p.m. (EDT) on July 24, 2026 (or the date that is two Business Days immediately preceding the date that any adjourned or postponed Meeting is reconvened or held, as the case may be). Such notice must be delivered to FLUENT c/o Cassels Brock & Blackwell LLP, Suite 3200, Bay Adelaide Centre – North Tower, 40 Temperance Street, Toronto, Ontario, Canada, M5H 0B4, Attention: Lara Jackson, and must otherwise strictly comply with the dissent procedures described in this Circular.

It is recommended that any Registered Shareholder wishing to exercise Dissent Rights seek legal advice, as failure to strictly comply with the provisions of the OBCA, as modified by the Plan of Arrangement and the Interim Order, and to adhere to the procedures established therein may prejudice their Dissent Rights.

and result in the loss of all rights thereunder.

See “*Rights of Dissenting Shareholders*”.

Information Concerning FLUENT

FLUENT is a vertically-integrated multi-state cannabis operator in the U.S. FLUENT, through its Subsidiaries, is licensed to produce and sell medical and adult-use cannabis in New York, and medical cannabis in Florida and Texas.

FLUENT is a corporation organized under the OBCA. The Common Shares trade on the CSE under the trading symbol “FNT.U” and are quoted on the OTCQB Venture Market under the symbol “CNTMF”.

For further details concerning FLUENT, see “*Information Concerning FLUENT*” and “*Schedule F – Information Concerning FLUENT*”.

Information Concerning Vireo

Vireo is a vertically-integrated cannabis company with licenses and operations in California, Colorado, Florida, Maryland, Minnesota, Missouri, New Mexico, Nevada, New York, and Utah. Vireo is a corporation organized under the BCBCA. The Vireo Shares trade on the CSE under the trading symbol “VREO” and are quoted on the OTCQX Market under the symbol “VREOF”.

For further details concerning Vireo, see “*Information Concerning Vireo*” and “*Schedule G – Information Concerning Vireo*”.

Information Concerning Vireo Following the Arrangement

On completion of the Arrangement, Vireo will directly own all of the issued and outstanding FLUENT Shares, FLUENT will become a wholly-owned Subsidiary of Vireo and Vireo will continue the operations of Vireo and FLUENT.

For further information in respect of Vireo following completion of the Arrangement, see “*Information Concerning Vireo following the Arrangement*” and “*Schedule H – Information Concerning Vireo Following the Arrangement*”.

Risk Factors

Shareholders who vote in favour of the Arrangement Resolution will be voting in favour of Vireo acquiring all of the issued and outstanding FLUENT Shares and investing in the business of Vireo. In assessing the Arrangement, you should carefully consider the risks described below which relate to the Arrangement, the failure to complete the Arrangement if, among other things, the Arrangement Resolution is not approved at the Meeting or if any other conditions precedent to the completion of the Arrangement are not satisfied or waived, as applicable, and the post-Arrangement business and operations of Vireo. Shareholders should also carefully consider the risk factors which relate to FLUENT described under the heading “*Risk Factors*” in “*Schedule F – Information Concerning FLUENT*” and the risk factors which relate to Vireo described under the heading “*Risk Factors*” in “*Schedule G – Information Concerning Vireo*” and the risk factors described under the heading “*Risk Factors*” in this Circular and incorporated by reference in this Circular.

Readers are cautioned that such risk factors are not exhaustive and additional risks and uncertainties, including those currently unknown or considered immaterial to FLUENT, may also adversely affect FLUENT or Vireo prior to the Arrangement, or Vireo following completion of the Arrangement.

See “*Risk Factors*”.

Certain Income Tax Considerations

Certain Canadian Federal Income Tax Considerations

For a summary of certain of the material Canadian federal income tax consequences of the Arrangement applicable to Shareholders, see "*Certain Income Tax Considerations – Certain Canadian Federal Income Tax Considerations*". Such summary is not intended to be legal, business or tax advice. Shareholders should consult their own tax advisors as to the tax consequences of the Arrangement applicable to them with respect to their particular circumstances.

Certain United States Federal Income Tax Considerations

For a summary of certain of the material U.S. federal income tax consequences of the Arrangement applicable to U.S. Holders, see "*Certain Income Tax Considerations – Certain United States Federal Income Tax Considerations*". Such summary is not intended to be legal, business or tax advice. Shareholders should consult their own tax advisors as to the tax consequences of the Arrangement applicable to them with respect to their particular circumstances.

BUSINESS OF THE MEETING

Arrangement Resolution

As set out in the Notice of Meeting, at the Meeting, Shareholders will be asked to consider, pursuant to the Interim Order, and, if deemed advisable, to pass, with or without variation, the Arrangement Resolution. The Arrangement, the Plan of Arrangement and the terms of the Arrangement Agreement are summarized in this Circular. See “*The Arrangement*” and “*Transaction Agreements – The Arrangement Agreement*”. This summary does not purport to be complete and is qualified in its entirety by reference to the Arrangement Agreement, which has been filed under FLUENT’s issuer profile on SEDAR+ at www.sedarplus.ca, and the Plan of Arrangement, which is attached to this Circular as Schedule B.

If completed, the Arrangement will result in Vireo acquiring all of the issued and outstanding FLUENT Shares on the Effective Date. FLUENT will become a wholly-owned Subsidiary of Vireo and Vireo will continue the operations of Vireo and FLUENT. Pursuant to the Plan of Arrangement, at the Effective Time, Shareholders will receive 0.002351197 Vireo Shares for each Common Share (after conversion of all (i) Proportionate Voting Shares and (ii) Non-Voting Shares) held.

In order to become effective, the Arrangement Resolution must be approved by the affirmative vote of at least 66^{2/3}% of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting, voting as a single class. A copy of the Arrangement Resolution is set out in Schedule A of this Circular.

If the Arrangement Resolution is not approved by the requisite majority of Shareholders at the Meeting, the Arrangement cannot be completed. Notwithstanding the foregoing, the Arrangement Resolution authorizes the Board, without further notice to or approval of the Shareholders, to revoke the Arrangement Resolution at any time prior to the Effective Time if they decide not to proceed with the Arrangement.

Unless otherwise directed, it is Management’s intention to vote in favour of the Arrangement Resolution. If you do not specify how you want your Voting Shares voted, the persons named as proxyholders in the form of proxy will cast the votes represented by your proxy at the Meeting **IN FAVOUR** of the Arrangement Resolution.

If the Arrangement Resolution is approved at the Meeting, the Final Order approving the Arrangement is issued by the Court and the other applicable conditions to the completion of the Arrangement are satisfied or waived, the Arrangement will take effect commencing at the Effective Time (which will be at 12:01 a.m. (EDT)) on the Effective Date, which is expected to occur in the fourth quarter of 2026.

See “*Rights of Dissenting Shareholders*” for information concerning the rights of Registered Shareholders to dissent in respect of the Arrangement Resolution.

The Board unanimously recommends that Shareholders vote IN FAVOUR of the Arrangement Resolution.

The people named in the form of proxy will vote IN FAVOUR of the Arrangement Resolution unless instructed to vote against the Arrangement Resolution.

Presentation of Financial Statements

The Annual Financial Statements will be placed before the Meeting. The Annual Financial Statements and Annual MD&A are available under FLUENT’s profile on SEDAR+ at www.sedarplus.ca or on FLUENT’s website at www.investors.getfluent.com and copies of these documents will also be available at the Meeting.

Election of Directors

The articles of FLUENT provide that the Board shall consist of a minimum of three (3) and a maximum of 15 directors, the number of which may be fixed from time to time by a resolution of the Board.

The Board has fixed the number of directors to be elected at the Meeting at six.

At the Meeting, Shareholders will be asked to elect the six directors (the “**Nominees**”) to the Board. If elected at the Meeting, each Nominee will hold office until the next annual meeting of Shareholders or until his or her successor is duly elected or appointed. The Nominees for election as directors to the Board are William Smith, Mark Eckenrode, Roger Daher, Dawn Sweeney, Richard Mavrinnac and Seth Sholes.

The Board recommends that Shareholders vote IN FAVOUR of the election to the Board of the foregoing Nominees designated by management of FLUENT to hold office until the next annual meeting of Shareholders or until a successor is duly elected or appointed.

The people named in the form of proxy will vote IN FAVOUR of the election to the Board of the Nominees whose names are set forth above, each of whom, if applicable, has been a director since the date indicated below opposite the Nominee’s name, unless a Shareholder has specified in the form of proxy that his, her or its Voting Shares are to be withheld from voting in respect of any particular Nominee or Nominees.

Management does not contemplate that any of the Nominees will be unable to serve as directors, but if that should occur for any reason prior to the Meeting, the Voting Shares represented by properly executed proxies given in favour of such Nominees may be voted by the person(s) designated by management of FLUENT in the form of proxy, in their discretion, in favour of another Nominee, unless a Shareholder has specified in the form of proxy that his, her or its Voting Shares are to be withheld from voting in respect of any particular Nominee(s).

The table below sets forth the name, province or state and country of residence, date of appointment as a director (if applicable) and principal occupation during the prior five-year period of each Nominee and the number of voting securities of FLUENT beneficially owned, or over which control or direction is exercised, directly or indirectly, by each Nominee.

In addition, the biography of each Nominee is below. For additional information regarding the current directors’ meeting, see “*Schedule F – Information Concerning FLUENT – Corporate Governance*”.

Name, Province or State and Country of Residence	Principal Occupations for the Last Five Years ⁽¹⁾	Periods during which each proposed director has served as a director of FLUENT ⁽²⁾	Number and Class of Shares Held or Beneficially Owned ⁽³⁾
Roger Daher ⁽⁴⁾⁽⁵⁾ , Markham, Ontario	Pharmacist and owner/partner of three Ontario Pharmasave pharmacies	April 7, 2020	2,639,124 Common Shares
Mark Eckenrode ⁽⁴⁾ Locust Grove, Virginia	Presently retired. Previously an Advisory Engineer for Framatome, Inc.	June 30, 2021	2,890,226 Common Shares
Richard Mavrinnac ⁽⁴⁾⁽⁶⁾ Ontario, Canada	Member of the Board of Directors of Roots Corporation (TSX: ROOT) from 2018-2025. Director of RIV Capital from September 2018 to December 2024	December 19, 2024	1,140,671 Common Shares

William Smith ⁽⁷⁾⁽⁸⁾ <i>Gulf Breeze, Florida</i>	Executive Chairman of FLUENT and President, managing member and an owner of B&C Communications, LLC, a New York limited liability company	June 30, 2021	64,189,527 Common Shares 1,421,538 Proportionate Voting Shares
Seth Sholes <i>Westport, Connecticut</i>	Presently retired. Former President of Advanced Grow Labs LLC.	November 14, 2025	Nil
Dawn Sweeney ⁽⁸⁾ <i>Longboat Key, Florida</i>	May 2020 to present – Executive-In-Residence, Georgetown University's McDonough School of Business. Currently Board Chair and Chair of the Compensation Committee of SITE Centers (NYSE: SITC) October 2022 to present – board chair of MedStar National Rehabilitation Hospital. Director of RIV Capital from September 2022 to December 2024 August 2022 to December 2025 – Executive Managing Director of the Association and Non-Profit Practice, Jones Lang LaSalle (JLL). October 2007 to December 2019 – President and Chief Executive Officer, National Restaurant Association	December 19, 2024	667,823 Common Shares

Notes:

- (1) The information as to principal occupations of the Nominees, not being within the direct knowledge of FLUENT, has been furnished by the respective Nominees.
- (2) Each director's term will continue until the next annual meeting of Shareholders or until the director resigns, becomes ineligible or unable to serve or until his or her successor is elected or appointed.
- (3) The information as to the number of FLUENT Shares beneficially owned, or over which control or direction is exercised, by the Nominees directly or indirectly, not being within the direct knowledge of FLUENT, has been furnished by the respective Nominees or obtained from the System for Electronic Disclosure by Insiders, and may include FLUENT Shares owned or controlled by the Nominees' spouses and/or children and/or companies controlled by them or their spouses and/or children.
- (4) Member of the Audit Committee. Mr. Eckenrode is Chair of the Audit Committee.
- (5) Roger Daher is the registered owner of 2,409,124 Common Shares and 950,000 Options. RGDRX HOLDINGS INC., a company controlled by Mr. Daher, is the registered owner of 210,000 Common Shares. Roger Daher's daughter, Cassandra Daher is the registered owner of 8,000 Common Shares. Ryan Daher, Roger Daher's

son, is the registered owner of 8,000 Common Shares and Steven Daher, Roger Daher's son, is the registered owner of 4,000 Common Shares.

- (6) 186,750 Common Shares are controlled indirectly by Richard Mavrinac through his spouse.
- (7) 3,333,159 Common Shares are owned by William Smith; 19,012,622 Common Shares are owned by Sage Investing LLC; 20,288,263 Common Shares and 1,421,538 Proportionate Voting Shares are owned by Endeavour Holdings, LLC; and 21,555,483 Common Shares are owned by Can Endeavour LLC, all of which are companies owned and/or controlled by William Smith.
- (8) Member of the Governance and Compensation Committee. Ms. Sweeney is Chair of the Governance and Compensation Committee.

To FLUENT's knowledge, as at June 12, 2026 the nominees, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 71,527,371 FLUENT Shares, representing approximately 11.2% of the total issued and outstanding FLUENT Shares on a non-diluted basis.

Other than as disclosed below, no proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of FLUENT acting solely in such capacity.

Pursuant to the Hawthorne Investor Rights Agreement, The Hawthorne Collective has elected to nominate Seth Sholes to the Board and to leave the other Nominee seat vacant, and pursuant to the Smith Investor Rights Agreement, the Smith Group has elected to nominate William Smith and Mark Eckenrode to the Board. See "*Voting Shares and Principal Holders – Investor Rights Agreements*" for more information. In accordance with the applicable Support Agreement entered into in connection with the Arrangement, if the Arrangement is completed, the Hawthorne Investor Rights Agreement and the Smith Investor Rights Agreement will be terminated. See "*Transaction Agreements – The Support Agreements*" for further information.

The following are brief biographies of each of the Director nominees set out above:

Nominee Biographies

Roger Daher, Director

Roger Daher has been a licensed pharmacist for 36+ years and he is currently a practicing owner/partner in four Ontario Pharmasave pharmacies. From 2010 to 2020, Mr. Daher served as a member of the Pharmasave Ontario Board of Directors, as well as a member of the audit committee (audit committee chair). Post-merger with Pharmasave Atlantic, Mr. Daher currently serves as a member of the Finance and audit committee of Pharmasave East. Mr. Daher has also served and continues to serve on several public company boards, including Fountain Asset Corp. (TSXV: FA). Mr. Daher obtained his Bachelor of Science, Pharmacy, from the University of Toronto in 1989.

Mark Eckenrode, Director

Mark Eckenrode is a retired nuclear engineer, having spent over 40 years in the nuclear energy space. Between 2007 and 2020, Mr. Eckenrode served as Advisory Engineer at Framatome Inc., a French nuclear reactor business with offices in Lynchburg, VA. Prior to that, Mr. Eckenrode spent 12 years at Entergy, a U.S. energy company. Mr. Eckenrode holds a Master of Science in Nuclear Engineering and Bachelor of Science in Physics from Virginia Polytechnic Institute and State University and an MBA in Finance from Millsaps College.

Richard Mavrinac

Mr. Mavrinac served as the Chief Financial Officer of George Weston Limited and the Executive Vice-President of Loblaw Companies Limited, two of Canada's largest companies operating in the retail grocery and bakery sectors, from 2003 to 2007. As Chief Financial Officer of George Weston Limited, Mr. Mavrinac's experience encompassed all aspects of finance, including overall responsibility for financial reporting, treasury, risk management, pension and benefits, investor relations, taxation and acquisitions and

divestitures. Mr. Mavrinac began his career with Loblaw Companies Limited in 1982 as Director of Taxation, subsequently holding a variety of financial positions within the company. In 1996, Mr. Mavrinac assumed the role of Senior Vice-President, Finance for George Weston Limited and Loblaw Companies Limited. Mr. Mavrinac was formerly a member of the board of directors of Roots Corporation (TSX: ROOT) and formerly a member of the board of directors of TerrAscend Corp. and Gage Growth Corp. and brings experience in the retail and cannabis sectors to the Board. Mr. Mavrinac received his Bachelor of Commerce degree from the University of Toronto in 1975 and began his career with Peat Marwick Mitchell Chartered Accountants after receiving his Chartered Accountant designation in 1978.

William Smith, Director and Executive Chairman

William M. Smith is an entrepreneur who has extensive experience in different business environments. Mr. Smith graduated from Pennsylvania State University in 1991 with a degree in Nuclear Engineering. After working as a power production engineer for five years, Mr. Smith entered the broadcasting field. While in broadcasting, he constructed, operated, and developed a small television station group, and bought and sold multiple broadcast stations or the rights to construct or use them in a variety of sizeable and complicated business transactions. In 2003, Mr. Smith sold his television holdings and moved to Florida. Since his move, Mr. Smith has diversified his investments to include ownership in a wide array of businesses, including television and radio broadcast properties, a marina, and other real estate.

Seth Sholes

Seth Sholes brings extensive experience in finance, corporate strategy, and growth-oriented businesses. Mr. Sholes spent 27 years in the hedge fund industry, focusing on trading and risk management, before becoming a founder at Advanced Grow Labs.

As a founder and President of Advanced Grow Labs, a pioneering company in the medical cannabis sector, Mr. Sholes played a key role in building and scaling operations, ultimately positioning the company for its successful acquisition by Green Thumb Industries (GTI), a leading national cannabis consumer packaged goods company and retailer.

Mr. Sholes combines financial sensibility with entrepreneurial leadership across emerging industries. His experience navigating regulated markets, executing business plans, and building shareholder value provides a valuable perspective. He holds a B.A. in International Politics from Wesleyan University.

Dawn Sweeney

Ms. Sweeney served as the Chief Executive Officer of the National Restaurant Association, the trade association for the \$1 trillion U.S. restaurant industry from 2007 until her retirement at the end of 2019. In that role, she was responsible for advancing and protecting the policy and business goals for one million restaurants and 15 million employees and oversaw the single largest financial transaction in the association's hundred-year history. She also served in executive roles at the American Association of Retired Persons, the National Rural Electric Cooperative Association and the International Dairy Foods Association earlier in her career. She is a National Association of Corporate Directors Certified Director since 2021. Ms. Sweeney earned a Bachelor of Science in Government from Colby College and a Masters of Business Administration in Marketing with honors from The George Washington University.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as set out herein, to the knowledge of FLUENT, no Nominee is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular a director, chief executive officer or chief financial officer of any company (including FLUENT) that:

- (i) was subject to a cease trade order, other similar order, or an order that denied the relevant

company access to any exemption under securities legislation, and which was in effect for a period of more than 30 consecutive days, that was issued while the Nominee was acting in the capacity as director, chief executive officer or chief financial officer; or was subject to an order that was issued after the Nominee 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; or

- (ii) is, as at the date of this Circular, or has been within the 10 years before the date of this Circular, a director or executive officer of any company (including FLUENT) 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
- (iii) has, within the 10 years before the date of this Circular, 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 Nominee.

To the knowledge of FLUENT, as at the date this Circular, no Nominee has been subject to:

- (i) 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
- (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a Nominee.

Appointment of Auditors

PKF O'Connor Davies, LLP has been the independent external auditors of FLUENT since September 30, 2024. At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve an ordinary resolution re-appointing PKF O'Connor Davies, LLP as auditors of FLUENT, to hold office until the close of the next annual meeting of Shareholders or until a successor is appointed, and to authorize the Board to fix their remuneration. Additional information with respect to FLUENT's auditors can be found under "*Schedule F – Information Concerning FLUENT*".

To be effective, the resolution approving the re-appointment of PKF O'Connor Davies, LLP as auditors of FLUENT until the close of the next annual meeting of Shareholders and authorizing the Board to fix their remuneration requires the affirmative vote of not less than a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

The Board unanimously recommends that Shareholders vote IN FAVOUR of the re-appointment of PKF O'Connor Davies, LLP.

The people named in the form of proxy will vote IN FAVOUR of the resolution authorizing the re-appointment of PKF O'Connor Davies, LLP as auditors of FLUENT, to hold office for the ensuing year at a remuneration to be fixed by the Board, unless a Shareholder has specified in the form of proxy that his, her or its Voting Shares are to be withheld from voting in respect thereof.

Renewal of FLUENT Option Plan

At the Meeting, Management is seeking Shareholder re-approval of the FLUENT Option Plan, including the approval of all unallocated Options issuable under the FLUENT Option Plan. The FLUENT Option Plan was last approved by Shareholders on August 16, 2023, and governs the grant, administration and exercise of

Options which may be granted to executives, employees, or consultants of FLUENT. A copy of the FLUENT Option Plan is attached as Schedule “L” to the Circular and available under FLUENT’s profile on SEDAR+ at www.sedarplus.ca. For a description of the key features of the FLUENT Option Plan see “Appendix F-1 – *Statement of Executive Compensation – Compensation Discussion and Analysis – The FLUENT Option Plan*” of this Circular.

Section 6.5 of CSE Policy 6 – *Distributions & Corporate Finance*, provides that within three years after institution and within every three years thereafter, a listed issuer must obtain security holder approval for an evergreen plan, or a “rolling plan” in order to continue to grant awards thereunder and security holders must pass a resolution approving all unallocated options, rights or other entitlements under such “rolling plan”. The FLUENT Option Plan is a “rolling plan” because the maximum number of Common Shares and Proportionate Voting Shares available for grant under the FLUENT Option Plan and all other security-based compensation arrangements of FLUENT shall not exceed, in the aggregate, 10% of the number of Common Shares that are outstanding (assuming the conversion of all outstanding Proportionate Voting Shares into Common Shares) immediately prior to the share issuance or grant of the Option in question (the “**Outstanding Issue**”). Based on the foregoing, re-approval of the FLUENT Option Plan, including the approval of all unallocated Options under the FLUENT Option Plan is being sought at the Meeting since it has been three years since the FLUENT Option Plan, including all unallocated Options thereunder was last approved.

If Shareholder re-approval for the FLUENT Option Plan is obtained, FLUENT will not be required to seek further approval of the FLUENT Option Plan, including the approval of all unallocated Options under the FLUENT Option Plan until the FLUENT’s 2029 annual shareholders’ meeting (provided such meeting is held on or prior to July 28, 2029).

As of the date of the Circular, 613,261,139 Common Shares were issued and outstanding and 2,450,188 Proportionate Voting Shares were issued and outstanding, meaning the maximum aggregate number of Voting Shares that may be reserved by FLUENT for issuance pursuant to the FLUENT Option Plan and all other security-based compensation arrangements of FLUENT (which includes the FLUENT RSU Plan) shall not exceed 63,776,302 Common Shares (on an as-converted basis). As of the date of the Circular, 15,958,150 Options were outstanding, and 210,000 RSUs were outstanding, which combined represent approximately 2.5% of the issued and outstanding Voting Shares, with a total of 47,608,151 Options available to be granted under the FLUENT Option Plan and all other security-based compensation arrangements of FLUENT.

To be effective, the FLUENT Option Plan resolution set out below (the “**FLUENT Option Plan Resolution**”) requires the affirmative vote of not less than a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting, voting as a single class. The outcome of the FLUENT Option Plan Resolution will not affect the Options that have been granted before the date of the Meeting. If approval of the FLUENT Option Plan Resolution is obtained at the Meeting, FLUENT will not be required to seek further approval of the grant of unallocated Options under the FLUENT Option Plan until FLUENT’s 2029 annual shareholders’ meeting (provided that such meeting is held on or prior to July 28, 2029). If the FLUENT Option Plan Resolution is not passed all Options that had not been allocated as of the date of the Meeting will be cancelled and FLUENT will not grant any further Options under the FLUENT Option Plan until Shareholder approval is obtained, and any previously granted Options which expire, terminate or are settled or cancelled from time to time thereafter, which would otherwise become available for grant under the FLUENT Option Plan, will not be available for subsequent grant until Shareholder approval is obtained.

The Board unanimously recommends that Shareholders vote IN FAVOUR of the FLUENT Option Plan Resolution.

The people named in the form of proxy will vote IN FAVOUR of the FLUENT Option Plan Resolution, unless instructed to vote against the FLUENT Option Plan Resolution.

The text of the FLUENT Option Plan Resolution to be submitted to Shareholders at the Meeting is set forth below:

“IT IS HEREBY RESOLVED, THAT:

1. the stock option plan for FLUENT Corp. (“**FLUENT**”) in substantially the form attached as Schedule “L” of the management information circular of FLUENT Corp. dated as of June 12, 2026 (the “**FLUENT Option Plan**”) pursuant to which the directors of FLUENT may, from time to time, combined with all other security based compensation arrangements, authorize the issuance of options to directors, officers, employees and consultants of FLUENT and its subsidiaries to a maximum of 10% of the number of Common Shares that are outstanding (assuming the conversion of all outstanding Proportionate Voting Shares into Common Shares) be and the same is hereby confirmed and approved;
2. all unallocated stock options under the FLUENT Option Plan are hereby approved and authorized;
3. FLUENT be and shall have the authority to grant stock options pursuant to and subject to the terms and conditions of the FLUENT Option Plan until July 28, 2029 being the date that is three years from the date of the shareholder meeting at which approval is currently being sought (in accordance with the policies of the Canadian Securities Exchange, if and as applicable to FLUENT at such a time) unless the FLUENT Option Plan is terminated earlier;
4. any director or officer of FLUENT is hereby authorized and directed, acting for, in the name of and on behalf of FLUENT, to execute or cause to be executed, under the seal of FLUENT or otherwise, and to deliver or cause to be delivered, such other documents and instruments and to do or cause to be done all such other acts and things, as may in the opinion of such director or officer of FLUENT be necessary or desirable to carry out the intent of the foregoing resolutions, the execution of any such document or the doing of any such other act or thing by any director or officer of FLUENT being conclusive evidence of such determination; and
5. notwithstanding the foregoing approvals, the directors of FLUENT are hereby authorized to abandon all or any part of these resolutions at any time prior to giving effect thereto without further notice to or approval of the shareholders of FLUENT.”

Renewal of FLUENT RSU Plan

At the Meeting, Management is seeking Shareholder re-approval of the FLUENT RSU Plan, including the approval of all unallocated RSUs issuable under the FLUENT RSU Plan. The FLUENT RSU Plan was last approved by Shareholders on August 16, 2023, and governs the grant, administration and exercise of RSUs which may be granted to executives, employees, or consultants of FLUENT. A copy of the FLUENT RSU Plan is attached as Schedule “M” to the Circular and available under FLUENT’s profile on SEDAR+ at www.sedarplus.ca. For a description of the key features of the FLUENT RSU Plan see “Appendix F-1 – *Statement of Executive Compensation – Compensation Discussion and Analysis – The FLUENT RSU Plan*” of this Circular.

Section 6.5 of CSE Policy 6 – *Distributions & Corporate Finance*, provides that within three years after institution and within every three years thereafter, a listed issuer must obtain security holder approval for an evergreen plan, or a “rolling plan” in order to continue to grant awards thereunder and security holders must pass a resolution approving all unallocated options, rights or other entitlements under such “rolling plan”. The FLUENT RSU Plan is a “rolling plan” because the maximum number of Common Shares available for grant under the FLUENT RSU Plan and all other security-based compensation arrangements of FLUENT shall not exceed, in the aggregate, 10% of the Outstanding Issue. Based on the foregoing, re-approval of the FLUENT RSU Plan, including the approval of the unallocated RSUs under the FLUENT

RSU Plan is being sought at the Meeting since it has been three years since the FLUENT RSU Plan, including all unallocated RSUs thereunder was last approved.

If Shareholder re-approval for the FLUENT RSU Plan is obtained, FLUENT will not be required to seek further approval of the FLUENT RSU Plan and all unallocated RSUs under the FLUENT RSU Plan until the FLUENT's 2029 annual shareholders' meeting (provided such meeting is held on or prior to July 28, 2029).

As of the date of the Circular, 613,261,139 Common Shares were issued and outstanding and 2,450,188 Proportionate Voting Shares were issued and outstanding, meaning the maximum aggregate number of Common Shares that may be reserved by FLUENT for issuance pursuant to the FLUENT RSU Plan and all other security-based compensation arrangements of FLUENT (which includes the FLUENT Option Plan) shall not exceed 63,776,302 Common Shares (on an as-converted basis). As of the date of the Circular, 15,958,150 Options were outstanding, and 210,000 RSUs were outstanding, which combined represent approximately 2.5% of the issued and outstanding Voting Shares, with a total of 47,608,151 RSUs available to be awarded under the FLUENT RSU Plan and all other security-based compensation arrangements of FLUENT.

To be effective, the FLUENT RSU Plan resolution set out below (the "**FLUENT RSU Plan Resolution**") requires the affirmative vote of not less than a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting, voting as a single class. The outcome of the FLUENT RSU Plan Resolution will not affect the RSUs that have been awarded before the date of the Meeting. If approval of the FLUENT RSU Plan Resolution is obtained at the Meeting, FLUENT will not be required to seek further approval of the award of unallocated RSUs under the FLUENT RSU Plan until FLUENT's 2029 annual shareholders' meeting (provided that such meeting is held on or prior to July 28, 2029). If the FLUENT RSU Plan Resolution is not passed, all RSUs that had not been allocated as of the date of the Meeting will be cancelled and FLUENT will not grant any further RSUs under the FLUENT RSU Plan until Shareholder approval is obtained, and any previously granted RSUs which expire, terminate or are settled or cancelled from time to time thereafter, which would otherwise become available for grant under the FLUENT RSU Plan, will not be available for subsequent grant until Shareholder approval is obtained.

The Board unanimously recommends that Shareholders vote IN FAVOUR of the FLUENT RSU Plan Resolution.

The people named in the form of proxy will vote IN FAVOUR of the FLUENT RSU Plan Resolution, unless instructed to vote against the FLUENT RSU Plan Resolution.

The text of the FLUENT RSU Plan Resolution to be submitted to Shareholders at the Meeting is set forth below:

"IT IS HEREBY RESOLVED, THAT:

1. the restricted share unit award plan for FLUENT Corp. ("**FLUENT**") in substantially the form attached as Schedule "M" of the management information circular of FLUENT Corp. dated as of June 12, 2026 (the "**FLUENT RSU Plan**") pursuant to which the directors of FLUENT may, from time to time, combined with all other security based compensation arrangements, authorize the issuance of restricted share units to directors, officers, employees and consultants of FLUENT and its subsidiaries to a maximum of 10% of the number of Common Shares that are outstanding (assuming the conversion of all outstanding Proportionate Voting Shares into Common Shares) be and the same is hereby confirmed and approved;
2. all unallocated restricted share units under the FLUENT RSU Plan are hereby approved and authorized;
3. FLUENT be and shall have the authority to grant restricted share units pursuant to and subject to the terms and conditions of the FLUENT RSU Plan until July 28, 2029 being the

date that is three years from the date of the shareholder meeting at which approval is currently being sought (in accordance with the policies of the Canadian Securities Exchange, if and as applicable to FLUENT at such a time) unless the FLUENT RSU Plan is terminated earlier;

4. any director or officer of FLUENT is hereby authorized and directed, acting for, in the name of and on behalf of FLUENT, to execute or cause to be executed, under the seal of FLUENT or otherwise, and to deliver or cause to be delivered, such other documents and instruments and to do or cause to be done all such other acts and things, as may in the opinion of such director or officer of FLUENT be necessary or desirable to carry out the intent of the foregoing resolutions, the execution of any such document or the doing of any such other act or thing by any director or officer of FLUENT being conclusive evidence of such determination; and
5. notwithstanding the foregoing approvals, the directors of FLUENT are hereby authorized to abandon all or any part of these resolutions at any time prior to giving effect thereto without further notice to or approval of the shareholders of FLUENT."

Other Business

As of the date of this Circular, the management of FLUENT knows of no amendment, variation or other matter to come before the Meeting, other than the matters referred to in the Notice of Meeting. However, if any other matters are properly brought up at the Meeting, Registered Shareholders, or duly appointed proxyholders, can vote as they see fit, and the form of proxy will be voted on such matters in accordance with the best judgment of the persons voting the proxy, including with respect to any amendments or variations to the matters identified in this Circular.

INFORMATION CONCERNING THE MEETING

The Meeting will be held at the offices of Cassels Brock & Blackwell LLP, Suite 3200, Bay Adelaide Centre – North Tower, 40 Temperance St., Toronto, Ontario on July 28, 2026, at 9:30 a.m. (EDT), subject to any adjournment or postponement thereof, for the purposes set forth in the accompanying Notice of Meeting.

Notice-and-Access

FLUENT has elected to use the “notice-and-access” provisions provided for under NI 54-101 to deliver the Meeting materials to Shareholders, including the Notice of Meeting, this Circular and Annual Financial Statements and the Annual MD&A. This means that, rather than receiving paper copies of the Meeting materials in the mail, Shareholders as of the Record Date will have access to electronic copies of the Meeting materials on FLUENT’s website at www.investors.getfluent.com and under FLUENT’s profile on SEDAR+ at www.sedarplus.ca. The Meeting materials will remain on FLUENT’s website for a period of one year.

Registered Shareholders as of the Record Date will receive a package in the mail containing a Notice of Availability of Meeting materials explaining how to access and review the Meeting materials electronically and how to request a paper copy of such materials free of charge, and a proxy form or a VIF so Shareholders can vote their Voting Shares. A Letter of Transmittal will be mailed to each person who was a Registered Shareholder on the Record Date. In addition, the package will include a place to request copies of the Annual Financial Statements, the Annual MD&A and/or the Interim Financial Statements and Interim MD&A and a consent for electronic delivery. FLUENT believes that notice-and-access will substantially reduce printing, paper and postage costs and is a more environmentally friendly and cost-effective way to distribute the Meeting materials to Shareholders.

Prior to the Meeting and for up to one year thereafter, those Shareholders who wish to receive paper copies of the Meeting materials may request them from Odyssey by calling toll-free at 1(888) 290-1175 (within North America) or 1(587) 885-0960 (outside of North America). If a request for paper copies is received before the Meeting, the Meeting materials will be sent to such Shareholders at no cost within three Business Days of the request. If a request for paper copies is received on or after the date of the Meeting, and within one year of the Meeting materials being filed, the Meeting materials will be sent to such Shareholders within 10 calendar days after receiving the request. To receive paper copies of the Meeting materials in advance of the proxy deposit deadline, your request should be received by Odyssey no later than July 14, 2026.

Attending the Meeting

Registered Shareholders and duly appointed proxyholders (including any Non-Registered Shareholder who has appointed themselves as proxyholder) will be able to attend, ask questions and vote at the Meeting, provided that they carefully follow the instructions set out in this Circular and the related proxy materials.

Non-Registered Shareholders may attend the Meeting as guests but will not be able to ask questions or vote in person at the Meeting, unless they have been duly appointed as proxyholders in accordance with the procedures set out below and in the related proxy materials.

Non-Registered Shareholders who wish to attend, ask questions and vote in person at the Meeting, or Shareholders who wish to appoint another person or entity (who need not be a Shareholder), other than the individual(s) named on the form of proxy or voting instruction form, as applicable, as their proxy to attend, ask questions and vote in person at the Meeting, must insert their own name or the name of the third party proxyholder, as applicable, in the space provided on the form of proxy or voting instruction form, as applicable, sent to them by their Intermediary, if applicable, and follow all of the applicable instructions provided by such Intermediary, if applicable. By doing so, such Shareholder will be instructing their Intermediary to appoint such Shareholder or their third party proxyholder, as applicable, as such Shareholder’s proxyholder and such Shareholder or third party proxyholder, as applicable, will be able to attend, ask questions and vote in person at the Meeting.

If a Shareholder appoints a third party proxyholder as their proxy to attend, ask questions and vote in person at the Meeting, such Shareholder should ensure that their third party proxyholder is aware that they have been appointed as proxyholder and confirm that such proxyholder will participate at the Meeting in person.

A Non-Registered Shareholder's voting instructions must be received in sufficient time to allow their voting instruction form to be forwarded by their Intermediary to Odyssey. Non-Registered Shareholders should contact their Intermediary well in advance of the Meeting and follow its instructions if they want to, or if they want to have their third party proxyholder, attend and vote in person at the Meeting.

Accessing the Meeting in Person

The Meeting will be held at the offices of Cassels Brock & Blackwell LLP, Suite 3200, Bay Adelaide Centre – North Tower, 40 Temperance St., Toronto, Ontario on July 28, 2026 at 9:30 a.m. (EDT), subject to any adjournment or postponement thereof. Registered Shareholders and duly appointed proxyholders (including any Non-Registered Shareholders who have appointed themselves as proxyholder) may physically access the Meeting beginning at approximately 9:30 a.m. (EDT) on July 28, 2026, subject to any adjournment or postponement of the Meeting. While guests, including Non-Registered Shareholders who have not appointed themselves as proxyholders in accordance with the instructions described herein and in the related proxy materials, will be able to attend the Meeting, they will not be permitted to ask questions or vote.

Voting

Registered Shareholders and duly appointed proxyholders (including any Non-Registered Shareholders who have appointed themselves as proxyholder) who plan to attend and vote in person at the Meeting must register with FLUENT's transfer agent, Odyssey, when they arrive at the Meeting to ensure that their vote will be counted. If a Registered Shareholder or duly appointed proxyholder is declined access to the Meeting due to public health concerns or protocols, such Registered Shareholder or duly appointed proxyholder will be given an opportunity to leave their completed ballot with the scrutineer outside of the Meeting.

Registered Shareholders who plan to attend and to vote in person at the Meeting should not complete or return the form of proxy. Their vote will be taken and counted at the Meeting.

Duly appointed proxyholders (including Non-Registered Shareholders who have appointed themselves as proxyholder) who plan to attend and to vote in person at the Meeting must have signed and returned their voting instruction form prior to the Meeting following the instructions on such form. As their vote will be taken and counted at the Meeting, a Non-Registered Shareholder who has duly appointed itself as proxyholder should not indicate their votes on their voting instruction form.

Questions

Registered Shareholders and duly appointed proxyholders (including any Non-Registered Shareholders who have appointed themselves as proxyholders) who plan to attend the Meeting in person can submit questions at the Meeting.

Appointment and Revocation of Proxies

The individuals named as proxyholders in the form of proxy accompanying the Notice of Availability of Meeting materials are representatives of FLUENT's management. **A Shareholder who wishes to appoint another person (who need not be a Shareholder) as his or her representative at the Meeting may do so by either: (a) crossing out the names of the designated proxyholders and printing the appointee of their choice in the blank space provided for that purpose in the form of proxy or voting instruction form; or (b) completing another valid form of proxy.** In either case, the completed form of proxy must be delivered to Odyssey at the place and within the time limits specified herein for the deposit of proxies. The Chair of the Meeting will have the discretion to waive or extend the proxy deadlines without notice. A Shareholder who appoints a proxy other than the designated proxyholders should notify their chosen proxyholder(s), obtain his or her consent to act as proxy, and provide instructions to such proxyholder on how the Shareholder's Voting Shares are to be voted. The proxy appointee should bring personal

identification to the Meeting. In all cases the form of proxy should be dated and executed by a Shareholder or an attorney duly authorized in writing (with proof of such authorization attached, in the case where an appointed attorney has executed the form of proxy).

A form of proxy will not be valid for the Meeting or any adjournment or postponement thereof unless it is completed and delivered to Odyssey Trust Company, Attention: Proxy Department, Traders Bank Building, Suite 1100, 67 Yonge St, Toronto, Ontario M5E 1J8, by courier, by mail, or by electronic voting through <https://vote.odysseytrust.com> in each case by 9:30 a.m. (EDT) on July 24, 2026, or in the event of an adjournment or postponement of the Meeting, 48 hours before the time of the adjourned or postponed Meeting (excluding Saturdays, Sundays and holidays). Votes cast electronically are in all respects equivalent to and will be treated in the exact same manner as votes cast via a paper form of proxy. Further details on the electronic voting process are provided in the form of proxy. Alternatively, a form of proxy may be given to the Chair of the Meeting at which the form of proxy is to be used. Late forms of proxy may be accepted or rejected by the Chair of the Meeting in his or her discretion, and the Chair is under no obligation to accept or reject any particular late form of proxy. The Chair of the Meeting will have the discretion to waive or extend the proxy deadlines without notice.

A Shareholder who has voted by proxy may revoke the proxy at any time prior to the Meeting. To revoke a proxy, a Registered Shareholder may: (a) deliver a written notice to Odyssey Trust Company, Attention: Proxy Department, Traders Bank Building, Suite 1100, 67 Yonge St, Toronto, Ontario M5E 1J8, at any time up to and including the close of business on the last Business Day preceding the day of the Meeting, or any adjournment or postponement thereof, or with the Chair of the Meeting on the day of the Meeting prior to the commencement of the Meeting or any adjournment or postponement thereof; (b) vote again on the Internet at any time up to 9:30 a.m. (EDT) on July 24, 2026, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjourned or postponed Meeting; or (c) complete a form of proxy that is dated later than the form of proxy being revoked, and mailing it as instructed on the form of proxy so that it is received before 9:30 a.m. (EDT) on July 24, 2026, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjourned or postponed Meeting. If a registered Shareholder revokes a form of proxy and does not replace it with another form of proxy that is deposited with Odyssey before the proxy deadline, such Shareholder can still vote its Voting Shares at the Meeting. **A Shareholder may also revoke a proxy in any other manner permitted by law.** The written notice of revocation may be executed by the Shareholder or by an attorney who has the Shareholder's written authorization. If the Shareholder is a corporation, the written notice must be executed by its duly authorized officer or attorney.

Only Registered Shareholders have the right to directly revoke a proxy. Non-Registered Shareholders that wish to revoke or change their prior voting instructions must arrange for their respective Intermediaries to revoke the proxy on their behalf in accordance with any requirements of the Intermediaries. Intermediaries may set deadlines for the receipt of revocations that are further in advance of the Meeting than those set out elsewhere in this Circular and related proxy materials and, accordingly, any such revocation should be completed in coordination with such Non-Registered Shareholder's Intermediary well in advance of the deadline for submitting forms of proxy or voting instruction forms to ensure it can be given effect to at the Meeting.

If a registered Shareholder revokes a form of proxy and does not replace it with another form of proxy that is deposited with Odyssey before the proxy deadline, such Shareholder can still vote its Voting Shares at the Meeting.

If you have questions, you may contact Odyssey at 1(888) 290-1175 toll free in North America, or at 1(587) 885-0960 outside of North America, or by e-mail at shareholders@odysseytrust.com.

Voting of Proxies and Exercise of Discretion

The form of proxy, when properly signed, confers authority on the persons named in it as proxies to use their discretion in voting on amendments or variations to the matters identified in the Notice of Meeting or other matters that may properly come before the Meeting, or any adjournment or postponement thereof. In addition, if a Shareholder does not give any instruction as to how to vote on a particular matter to be decided

at the Meeting, their proxyholder can vote such Shareholder's Voting Shares as he or she thinks fit. Notwithstanding the foregoing, the persons named in the form of proxy will vote or withhold from voting the Voting Shares in respect of which they are appointed in accordance with the direction of the Shareholder appointing them and if the Shareholder specifies a choice with respect to any matter to be voted upon, such Shareholders' Voting Shares will be voted accordingly. If a Shareholder signs and returns their form of proxy without designating a proxyholder and does not give voting instructions or does not specify that such Shareholder wants their Voting Shares voted against the Arrangement Resolution, the Annual Resolutions, the FLUENT Option Plan Resolution, or the FLUENT RSU Plan Resolution, the FLUENT representatives named in the form of proxy will vote such Shareholders' Voting Shares **IN FAVOUR** of the Arrangement Resolution, Annual Resolutions, the FLUENT Option Plan Resolution, and the FLUENT RSU Plan Resolution.

IN THE ABSENCE OF ANY SUCH INSTRUCTION, VOTING SHARES REPRESENTED BY PROXIES RECEIVED BY MANAGEMENT WILL BE VOTED IN FAVOUR OF THE ARRANGEMENT RESOLUTION, THE ANNUAL RESOLUTIONS, THE FLUENT OPTION PLAN RESOLUTION, AND THE FLUENT RSU PLAN RESOLUTION.

Voting by Registered Shareholders

Voting by Proxy

Voting by proxy is the easiest way for Registered Shareholders to cast their vote. Registered Shareholders can vote by proxy in any of the following ways:

By Internet: Go to <https://vote.odysseytrust.com> and follow the instructions on the screen. Votes cast electronically are in all respects equivalent to, and will be treated in the exact same manner as, votes cast via a paper form of proxy.

By Mail: Registered Shareholders can complete, sign and date their form of proxy and return it in the envelope provided for that purpose to Odyssey Trust Company, Attention: Proxy Department, Traders Bank Building, Suite 1100, 67 Yonge St, Toronto, Ontario M5E 1J8.

A proxy will not be valid for use at the Meeting unless it is duly completed and received by Odyssey in accordance with the instructions thereon by 9:30 a.m. (EDT) on July 24, 2026, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjourned or postponed Meeting. Late proxies may be accepted or rejected at the discretion of the Chair of the Meeting. The Chair is under no obligation to accept or reject any particular late proxy. The time limit for deposit of proxies may be waived or extended by the Chair of the Meeting, at the Chair's discretion, with or without notice. The proxy must be in writing and signed by the Shareholder or by the Shareholder's attorney, duly authorized in writing or, if the Shareholder is a corporation, the written notice must be executed by its duly authorized officer or attorney. If a Shareholder votes via the Internet, they do not return their form of proxy.

If you have questions, you may contact Odyssey at 1(888) 290-1175 toll free in North America, or at 1(587) 885-0960 outside of North America, or by e-mail at shareholders@odysseytrust.com.

Voting in Person

Only Registered Shareholders and duly appointed proxyholders will be able to attend, ask questions and vote in person at the Meeting. A Registered Shareholder that wishes to appoint another person or entity (who need not be a Shareholder) to represent such Registered Shareholder at the Meeting may either insert the person or entity's name in the blank space provided in the form of proxy or complete another proper form of proxy and submit the form of proxy.

Voting by Non-Registered Shareholders

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold FLUENT Shares in their own name. Non-Registered Shareholders

should note that only proxies deposited by Shareholders whose names appear in the records of FLUENT as of the Record Date as a Registered Shareholder or duly appointed proxyholder can be recognized and acted upon at the Meeting or any adjournment or postponement thereof.

If Voting Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Voting Shares will not be registered in such Shareholder's name on the records of FLUENT. Such Voting Shares will more likely be registered under the name of the Shareholder's Intermediary. In Canada, the vast majority of such Voting Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities), which acts as a nominee for many Canadian brokerage firms. Voting Shares held by Intermediaries can only be voted (for, withheld or against resolutions) upon the instructions of the Non-Registered Shareholder. Without specific instructions, Intermediaries are prohibited from voting the Voting Shares for their clients. FLUENT and the directors and officers of FLUENT do not know for whose benefit the Voting Shares registered in the name of CDS & Co., or another Intermediary, are held.

NI 54-101 requires Intermediaries to seek voting instructions from Non-Registered Shareholders in advance of shareholder meetings. In accordance with the requirements of NI 54-101, FLUENT has distributed copies of the proxy-related materials for use in connection with the Meeting to the Intermediaries and clearing agencies for onward distribution to Non-Registered Shareholders. Intermediaries are required to forward these materials to Non-Registered Shareholders unless the Non-Registered Shareholder has waived the right to receive them. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Non-Registered Shareholders in order to ensure that their Voting Shares are voted at the Meeting or any adjournment or postponement thereof. Often, the form of proxy supplied to a Non-Registered Shareholder by its Intermediary is identical to the form of proxy provided to Registered Shareholders; however, its purpose is limited to instructing the Registered Shareholder on how to vote on behalf of the Non-Registered Shareholder.

Voting by Submitting Voting Instructions

For a Non-Registered Shareholder, their Intermediary will send them their proxy-related materials and a voting instruction form that allows them to provide voting instructions to their Intermediary on the Internet, by telephone or by mail. To vote, a Non-Registered Shareholder should follow the instructions provided on their voting instruction form. A Non-Registered Shareholder's Intermediary is required to ask for the Non-Registered Shareholder's voting instructions before the Meeting. Non-Registered Shareholders are to contact their Intermediary if they do not receive a voting instruction form. Alternatively, a Non-Registered Shareholder may receive from their Intermediary a preauthorized form of proxy indicating the number of Voting Shares to be voted, which they should complete, sign, date and return as directed on the form. Each Intermediary has its own procedures which should be carefully followed by Non-Registered Shareholders to ensure that their Voting Shares are voted by their Intermediary on their behalf at the Meeting. FLUENT intends to reimburse Intermediaries for the delivery of the Meeting materials to Non-Registered Shareholders that have objected to their Intermediary disclosing certain ownership information about themselves to FLUENT (objecting beneficial owners).

The majority of Intermediaries now delegate responsibility for obtaining instructions on how to vote from clients to Broadridge. Broadridge typically mails a form of proxy or voting instruction form in lieu of the form of proxy to the Non-Registered Shareholders and asks the Non-Registered Shareholders to return the form of proxy or voting instruction form to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Voting Shares to be represented at the Meeting. A Non-Registered Shareholder receiving a form of proxy or voting instruction form from Broadridge cannot use that form of proxy or voting instruction form to vote Voting Shares directly at the Meeting. The form of proxy or voting instruction form must be returned to Broadridge or the Intermediary well in advance of the Meeting to have the Voting Shares voted. A Non-Registered Shareholder may revoke a form of proxy or voting instruction form or a waiver of the right to receive Meeting materials and to vote which has been given to their Intermediary at any time by written notice to the Intermediary, provided that the Intermediary is not required to act on a revocation of a form of proxy or voting instruction form or of a waiver of the right to receive Meeting materials and to vote, which is not received by the Intermediary at

least seven days prior to the Meeting. If you have any questions regarding the voting of Voting Shares held through a broker or other Intermediary, please contact your broker or other Intermediary for assistance.

In accordance with the requirements of NI 54-101, FLUENT is using notice-and-access to send proxy-related materials for use in connection with the Meeting to Non-Registered Shareholders using the “indirect” sending procedures set out in NI 54-101. Accordingly, FLUENT has distributed copies of the Meeting materials to Broadridge to deliver, on behalf of the Intermediaries, to the Non-Registered Shareholders.

Voting in Person

Only Registered Shareholders and duly appointed proxyholders (including Non-Registered Shareholders who have appointed themselves as proxyholders) will be able to attend, ask questions and vote in person at the Meeting. A Non-Registered Shareholder can only vote its Voting Shares in person at the Meeting if it has previously appointed itself as a proxyholder for its Voting Shares by printing its name in the space provided on the voting instruction form and submitting it as directed on the form.

Non-Registered Shareholders who have appointed themselves as proxyholders and who plan to attend and vote in person at the Meeting must register with FLUENT’s transfer agent, Odyssey, when they arrive at the Meeting to ensure that their vote will be counted. As their vote will be taken and counted at the Meeting, Non-Registered Shareholders who have duly appointed themselves as proxyholders should not indicate their votes on their voting instruction form when they submit such form. If a Non-Registered Shareholder who has duly appointed itself as proxyholder is declined access to the Meeting due to public health concerns or protocols, such Non-Registered Shareholder will be given an opportunity to leave their completed ballot with the scrutineer outside of the Meeting.

A Non-Registered Shareholder may also appoint someone else (who need not be a Shareholder) as its proxyholder to vote its Voting Shares in person at the Meeting by printing their name in the space provided on the voting instruction form and submitting it as directed on the form. Duly appointed proxyholders who plan to attend and vote in person at the Meeting must register with FLUENT’s transfer agent, Odyssey, when they arrive at the Meeting to ensure that their vote will be counted. If a duly appointed proxyholder is declined access to the Meeting due to public health concerns or protocols, such proxyholder will be given an opportunity to leave their completed ballot with the scrutineer outside of the Meeting.

See “*Information Concerning the Meeting – Attending the Meeting*” for instructions on how a Non-Registered Shareholder, or a Non-Registered Shareholder’s duly appointed proxyholder may attend and vote at the Meeting.

Voting instructions must be received in sufficient time to allow the voting instruction form to be forwarded by the Non-Registered Shareholder’s Intermediary to Odyssey before 9:30 a.m. (EDT) on July 24, 2026. If a Non-Registered Shareholder plans to participate in the Meeting (or to have its proxyholder participate in the Meeting), such Non-Registered Shareholder or its proxyholder will not be entitled to vote or ask questions, unless the proper documentation is completed and received by the Non-Registered Shareholder’s Intermediary well in advance of the Meeting to allow them to forward the necessary information to Odyssey before 9:30 a.m. (EDT) on July 24, 2026. Non-Registered Shareholders should contact their respective Intermediaries well in advance of the Meeting and follow their instructions if they want to participate in the Meeting. Guests, including Non-Registered Shareholders who have not duly appointed themselves as proxyholders can attend the Meeting as guests. Guests may listen to the Meeting but will not be able to ask questions or vote.

Guests

Only Shareholders as of the Record Date and other permitted attendees may attend the Meeting. Attending the Meeting allows Registered Shareholders and duly appointed proxyholders, including any Non-Registered Shareholders who have duly appointed themselves or a third party as proxyholder, to participate, ask questions and vote in person at the Meeting. If a Non-Registered Shareholder appoints a third party proxyholder to represent them at the Meeting, the Non-Registered Shareholder will only be able to attend the Meeting as a guest. Guests, including Non-Registered Shareholders who have not duly appointed themselves a proxyholder, can attend the Meeting, but will not be able to ask questions or vote.

If you have questions, you may contact Odyssey at 1(888) 290-1175 toll free in North America, or at 1(587) 885-0960 outside of North America, or by e-mail at shareholders@odysseytrust.com.

Record Date

The Board has fixed, and the Interim Order provides for, the close of business on June 12, 2026, as the Record Date for the determination of Shareholders that will be entitled to receive notice of the Meeting, and any adjournment or postponement thereof, and that will be entitled to vote at the Meeting (subject, in the case of voting by proxy, to the timely deposit of a properly completed, signed and dated form of proxy with FLUENT's registrar and transfer agent, Odyssey, as specified herein and in the Notice of Meeting).

Quorum

The By-Laws of FLUENT provide that quorum for any meeting of Shareholders is 15% of Voting Shares entitled to vote at the meeting, whether present in person or represented by proxy.

Voting Shares and Principal Holders Thereof

The authorized capital of FLUENT consists of an unlimited number of Common Shares, an unlimited number of Proportionate Voting Shares and an unlimited number of Non-Voting Shares.

As of the Record Date: (i) 613,261,139 Common Shares were issued and outstanding, representing approximately 96.2% of the voting rights attached to the outstanding securities of FLUENT; (ii) 2,450,188 Proportionate Voting Shares were issued and outstanding, representing approximately 3.8% of the voting rights attached to the outstanding securities of FLUENT; and (iii) nil Non-Voting Shares were issued and outstanding. Each Common Share carries the right to one vote in respect of each of the matters properly coming before the Meeting and each Proportionate Voting Share carries the right to 10 votes in respect of each of the matters properly coming before the Meeting. The holders of Non-Voting Shares are not entitled to vote at meetings of the Shareholders (except as otherwise provided or required by applicable law or an order of a court of competent jurisdiction). Each Non-Voting Share may at any time, at the option of the holder, be converted into one Common Share.

Generally, the Common Shares and Proportionate Voting Shares have the same rights, are equal in all respects and are treated by FLUENT as if they were shares of one class only. Proportionate Voting Shares, or fractions thereof, may at any time, at the option of the holder and subject to certain restrictions, be converted into Common Shares at a ratio of 10 Common Shares per one Proportionate Voting Share. Prior to conversion, each Proportionate Voting Share, or fraction thereof, carries 10 votes per Proportionate Voting Share (compared to one vote per Common Share) and is entitled to dividends and liquidation distributions in an amount equal to 10 times the amount distributed in respect of each Common Share.

If an offer is being made for Proportionate Voting Shares (a "**PVS Offer**") where: (i) by reason of applicable securities legislation or stock exchange requirements, the offer must be made to all holders of the class of Proportionate Voting Shares; and (ii) no equivalent offer is made for the Common Shares, the holders of Common Shares have the right, pursuant to the articles of FLUENT, at their option, to convert their Common Shares into Proportionate Voting Shares for the purpose of allowing the holders of the Common Shares to tender to such PVS Offer, provided that such conversion into Proportionate Voting Shares will be solely for the purpose of tendering the Proportionate Voting Shares to the PVS Offer in question and that any Proportionate Voting Shares that are tendered to the PVS Offer but that are not, for any reason, taken up and paid for by the offeror will automatically be reconverted into the Common Shares that existed prior to such conversion.

In the event that holders of Common Shares are entitled to convert their Common Shares into Proportionate Voting Shares in connection with a PVS Offer pursuant to (ii) above, holders of an aggregate of Common Shares of less than 10 Common Shares (an "**Odd Lot**") will be entitled to convert all but not less than all of such Odd Lot of Common Shares into an applicable fraction of one Proportionate Voting Share, provided that such conversion into a fractional Proportionate Voting Share will be solely for the purpose of tendering the fractional Proportionate Voting Share to the PVS Offer in question and that any fraction of a

Proportionate Voting Share that is tendered to the PVS Offer but that is not, for any reason, taken up and paid for by the offeror will automatically be reconverted into the Common Shares that existed prior to such conversion.

As at the Record Date, to the knowledge of the directors and executive officers of FLUENT, the following are the only persons who beneficially own, directly or indirectly, or exercise control or direction over, voting securities of FLUENT carrying 10% or more of the voting rights attached to any class of voting securities of FLUENT:

Name of Shareholder, Jurisdiction of Residence	Number of Voting Securities of FLUENT ⁽¹⁾⁽²⁾	Class of Outstanding Voting Securities of FLUENT	Percentage of the Class of Outstanding Voting Securities of FLUENT ⁽¹⁾⁽²⁾	Percentage of all Outstanding Voting Securities of FLUENT
William Smith <i>(Gulf Breeze, Florida)</i>	1,421,538 ⁽³⁾	Proportionate Voting Shares	58.0%	12.3%
	64,189,527 ⁽³⁾	Common Shares	10.5%	
The Hawthorne Collective, Inc.	153,069,395	Common Shares	25.0%	24.0%

Notes:

- (1) The information as to the number and percentage of voting securities beneficially owned, controlled or directed, directly or indirectly, has been obtained from publicly available filings.
- (2) Information provided as of the Record Date, based on an issued and undiluted basis of 613,261,139 Common Shares, not giving effect to the exercise of securities convertible, redeemable or exchangeable into Common Shares held by such person, as applicable.
- (3) As of the Record Date, 3,333,159 Common Shares are owned by William Smith; 19,012,622 Common Shares are owned by Sage Investing LLC; 20,288,263 Common Shares and 1,421,538 Proportionate Voting Shares are owned by Endeavour Holdings, LLC; and 21,555,483 Common Shares are owned by Can Endeavour LLC, all of which are companies owned and/or controlled by William Smith.

Vote Counting

Votes by proxy are counted and tabulated by FLUENT's transfer agent, Odyssey.

Investor Rights Agreements

FLUENT is a party to the Hawthorne Investor Rights Agreement and Smith Investor Rights Agreement (collectively, the "**Investor Rights Agreements**"). The Investor Rights Agreements contain substantially similar terms providing for, among other things, the right of The Hawthorne Collective and the Smith Group to each nominate up to two directors to the Board, provided, however, that (i) the number of nominees will be reduced to one if The Hawthorne Collective or the Smith Group's beneficial ownership is less than 5% of FLUENT and (ii) The Hawthorne Collective or the Smith Group will not have any nomination rights if The Hawthorne Collective or the Smith Group ceases to own at least 10,000,000 Common Shares (including

any Common Shares underlying any convertible securities beneficially owned or controlled by The Hawthorne Collective, the Smith Group and their respective affiliates), which number is subject to certain adjustments (the “**Beneficial Ownership Requirement**”). Concurrently with the closing of the 2024 Arrangement, FLUENT expanded the size of its board to seven directors, which included the addition of two nominees of Hawthorne, being Christopher Hagedorn and Dawn Sweeney, and two nominees of the Smith Group, being Mark Eckenrode and William Smith. Christopher Hagedorn resigned from the Board on April 29, 2026.

Pursuant to the Hawthorne Investor Rights Agreement, The Hawthorne Collective has elected to nominate Seth Sholes to the Board and to leave the other Nominee seat vacant. Pursuant to the Smith Investor Rights Agreement, the Smith Group has elected to nominate William Smith and Mark Eckenrode to the Board. See “*Particulars of Matters to be Acted Upon – Election of Directors*”.

Each nominee must meet the qualification requirements to serve as a director under the OBCA, Canadian and United States securities laws and the applicable rules of the CSE or any other exchange on which the Common Shares are listed, and must not be an employee of, involved in the day-to-day operations of, or have a fiduciary responsibility to, a competitor of FLUENT. In the event that a nominee ceases to serve as a director for any reason, The Hawthorne Collective or the Smith Group, as applicable, has the right to designate a replacement nominee, provided that The Hawthorne Collective or the Smith Group, as applicable, remains eligible to designate a nominee and the replacement meets the qualification criteria described above.

For so long as the Beneficial Ownership Requirement is satisfied, The Hawthorne Collective and the Smith Group will also have certain participation rights in order to maintain their pro rata equity ownership positions in FLUENT in connection with any offering of Common Shares, or securities exercisable, convertible or exchangeable for Common Shares, subject to certain exceptions. The Investor Rights Agreements provide The Hawthorne Collective and the Smith Group with certain other customary rights, including demand registration rights, piggyback registration rights and information rights. The Hawthorne Collective, the Smith Group and their respective affiliates are subject to certain standstill restrictions until December 18, 2025 and December 19, 2025, respectively. The Investor Rights Agreements, and all rights of The Hawthorne Collective and the Smith Group contained therein, will expire when The Hawthorne Collective or the Smith Group, as applicable, ceases to meet the Beneficial Ownership Requirement.

The preceding description of the Investor Rights Agreements is qualified in its entirety by reference to the full text of the Investor Rights Agreements, which are available under FLUENT’s profile on SEDAR+ at www.sedarplus.ca. If the Arrangement is completed, the Investor Rights Agreements will be terminated. See “*Transaction Agreements – The Support Agreements*” for further information.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides information as of the date of the end of FLUENT’s most recently completed fiscal year on December 31, 2025, regarding the number of Common Shares to be issued upon the exercise of outstanding Options and vesting of the outstanding RSUs, as well as the weighted-average exercise price of the outstanding Options in connection with the Option Plan.

Plan Category	Number of securities to be issued upon exercise/vesting of outstanding Options/RSUs	Weighted-average exercise price of outstanding Options	Number of Common Shares remaining available for future issuance under equity compensation plans⁽¹⁾
Option Plan	21,874,875	0.12	41,691,427
RSU Plan	210,000	N/A	41,691,427

Total	22,084,875	0.12	41,691,427

Notes:

- (1) Pursuant to the FLUENT Option Plan and FLUENT RSU Plan, the aggregate number of authorized but unissued Common Shares that may be issued under the FLUENT Option Plan and FLUENT RSU Plan, on a collective basis, at any time shall not exceed 10% of the issued and outstanding Common Shares on an as-converted basis at any time. As at December 31, 2025, there were 613,261,139 Common Shares and 2,450,188 Proportionate Voting Shares issued and outstanding (637,763,019 Common Shares issued and outstanding assuming conversion of all Proportionate Voting Shares into Common Shares).

THE ARRANGEMENT**Details of the Arrangement**

On April 29, 2026, FLUENT and Vireo entered into the Arrangement Agreement pursuant to which Vireo agreed to acquire all of the issued and outstanding FLUENT Shares. The Arrangement Agreement was amended on June 8, 2026.

The Arrangement will be effected by way of a court-approved Plan of Arrangement under the OBCA involving FLUENT and Vireo pursuant to the terms of the Arrangement Agreement, the Interim Order and the Final Order. Subject to receipt of the Shareholder Approval, the Final Order and the satisfaction or waiver of certain other conditions set forth in the Arrangement Agreement, Vireo will acquire all of the issued and outstanding FLUENT Shares on the Effective Date. The Parties intend to rely upon the exemption from the registration requirements of the U.S. Securities Act set forth in Section 3(a)(10) thereof with respect to the issuance of the Consideration Shares in exchange for the FLUENT Shares pursuant to the Arrangement.

If completed, the Arrangement will result in Vireo acquiring all of the issued and outstanding FLUENT Shares on the Effective Date, and FLUENT will become a wholly-owned Subsidiary of Vireo and Vireo will continue the operations of Vireo and FLUENT. Pursuant to the Plan of Arrangement, at the Effective Time, Shareholders (other than Dissenting Shareholders) will receive 0.002351197 Vireo Shares for each Common Share (after conversion of all (i) Proportionate Voting Shares and (ii) Non-Voting Shares) held at the Effective Time.

Background to the Arrangement

The Arrangement Agreement is the culmination of an extensive process of exploring value-enhancing possibilities for Shareholders of FLUENT and is the direct result of arm's length negotiations among representatives of FLUENT and Vireo and their respective legal and financial advisors, as more fully described herein. The following is a summary of the material events, meetings, negotiations and discussions amongst the Parties that preceded the recommendation of the Special Committee in respect of the Arrangement and the execution and announcement thereof. Members of the Special Committee engaged in numerous informal discussions among themselves and consultations with management and representatives of each of ATB Cormark and Cassels Brock & Blackwell LLP ("**Cassels**"). The following summary is qualified in its entirety by the more detailed information contained elsewhere in this Circular.

The Board regularly reviews FLUENT's overall corporate strategy and long-term strategic plan with the goal of maximizing shareholder value, including assessing the relative merits of continuing as an independent enterprise, potential acquisitions, dispositions and various strategic transactions involving FLUENT and/or its assets. In connection with this ongoing review, the Board, together with Management and its financial advisors, has from time to time considered and evaluated a range of strategic alternatives. In particular, these discussions focused on maximizing shareholder value while considering FLUENT's operational footprint, level of indebtedness, liquidity position, and other related items. As part of this ongoing review

and consideration, the Board and Management had discussions with a number of companies in the cannabis industry over the course of many years, with a view towards exploring potential strategic transactions, including but not limited to mergers, acquisitions, investments, and other business arrangements. These discussions helped inform FLUENT's understanding of the cannabis industry in the United States, trends in the broader industry and in specific markets in which FLUENT operates, and how FLUENT could optimally position itself in the years ahead.

Throughout the fall of 2025, the Board, together with Management and FLUENT's financial advisor at the time, engaged in specific discussions with third parties regarding a potential strategic transaction. Initially, FLUENT engaged in discussions with a separate company ("**Party A**") to explore the possibility of a potential business arrangement. While Management and its advisors conducted non-exclusive, preliminary discussions with Party A, the discussions with FLUENT and Party A did not advance beyond the preliminary stage. Party A ultimately terminated discussions with FLUENT, which led to FLUENT exploring an alternative transaction that was part of a broader multi-party arrangement which contemplated a combination of the operations of FLUENT with Party A and a newly identified third party ("**Party B**"). Over the course of the next several months, Management, under the direction of the Board and a special committee that was formed for the purposes of evaluating a potential transaction with Party A and Party B, had a number of discussions relating to the structure and commercial terms of the potential transaction. These discussions included in-person meetings and site visits so as to familiarize each party with the other party's operations at a general level. The conversations also involved the sharing of financial information between the parties, which information-sharing was the subject of a non-disclosure agreement entered into amongst FLUENT, Party A, and Party B.

FLUENT's discussions with Party A and Party B progressed over the next few months but were ultimately terminated in early January 2026. Following the termination of these discussions, the Board, together with Management, continued to evaluate strategic alternatives available to FLUENT, including potential transactions with other industry participants.

Following the termination of the prior transaction discussions, a representative of Vireo's senior executive management ("**Vireo Management**") met with a member of the Board to discuss the possibility of a potential strategic transaction between the Parties. At a subsequent Board meeting, the Board was provided an update regarding the discussions with Vireo and the possibility of a strategic transaction. At the Board meeting, Christopher Hagedorn, a former director of FLUENT, who at the applicable time, was a director of FLUENT and the Executive Vice President and Chief of Staff of SMG and its subsidiary companies, including HGC, declared that he was in a conflict of interest with respect to such potential transaction. At the applicable time, Vireo was also in dialogue with SMG and HGC in connection with a potential transaction involving Vireo's acquisition of HGC. As a result, Mr. Hagedorn did not participate in any subsequent meetings of the Board relating to the Arrangement and abstained from voting on the resolutions of the Board approving the Arrangement and all related matters in accordance with the provisions of the OBCA. Mr. Hagedorn resigned from the Board on April 29, 2026.

The Board, believing that there was significant merit to exploring a potential transaction with Vireo, formally established the Special Committee on January 15, 2026. The Special Committee was comprised solely of independent and non-conflicted directors and was established to, among other things, review, consider and evaluate strategic alternatives available to FLUENT, including a potential transaction with Vireo, and to make recommendations to the Board.

On January 17, 2026, FLUENT and Vireo entered into a confidentiality agreement to facilitate the exchange of non-public information in connection with the evaluation of a potential transaction.

On February 2, 2026, the Special Committee entered into an engagement letter with ATB Cormark, pursuant to which ATB Cormark agreed to act as the Special Committee's financial advisor with respect to potential transactions that the Special Committee was considering and evaluating, including but not limited to a potential transaction with Vireo. Pursuant to such engagement letter, ATB Cormark also agreed to provide the Fairness Opinion.

Following ATB Cormark's engagement by the Special Committee, and in tandem with ongoing discussions between the Special Committee, Management and Vireo Management, ATB Cormark, under the direction of the Special Committee, conducted a market outreach process to a total of nine potential counterparties to assess interest in a potential transaction with FLUENT particularly in light of the financial challenges that FLUENT was facing and the possibility that FLUENT's liquidity may not be sufficient to meet its obligations as they become due. These discussions were conducted on a confidential basis and, in certain instances, were subject to the execution of non-disclosure agreements. While a number of such third parties engaged in preliminary discussions with ATB Cormark, no alternative transaction emerged that the Special Committee determined would be more favourable to Shareholders than a potential transaction with Vireo.

Beginning on January 19, 2026, Management and representatives of Vireo engaged in a series of discussions regarding the strategic and economic rationale for a potential transaction. These discussions included meetings between senior management teams, as well as the exchange of information and the provision of access to a virtual data room to facilitate due diligence. Vireo also conducted a management presentation to the Board, Management, and FLUENT's advisors during this period.

During this time, the Special Committee, as well as the Board as appropriate, received regular updates from Management and ATB Cormark regarding the status of discussions with Vireo and other potential counterparties, and provided direction with respect to the continued evaluation of strategic alternatives.

Between January 19, 2026 and March 7, 2026, representatives of FLUENT and Vireo, together with their respective advisors, as needed, engaged in discussions and negotiations regarding the key terms of a potential transaction between the Parties, including valuation, structure, governance and other material terms.

In particular, discussions between FLUENT and Vireo focused on potential transaction structures. FLUENT initially received terms of a potential transaction structure that contemplated Vireo acquiring certain assets from FLUENT. Upon discussion with FLUENT's financial and legal advisors, the Special Committee and Management determined that an asset sale would be a concern for FLUENT shareholders for a number of reasons, which included, among other things, the tax implications of an asset sale and the complications associated with distributing shares of Vireo to FLUENT shareholders. Mr. Richard Mavrinac, the Chair of the Special Committee and Mr. Matt Mundy, Chief Legal Officer of FLUENT discussed the rationale of not proceeding with an asset sale of FLUENT at length with representatives of Vireo, following which Vireo representatives agreed to pursue a transaction structure that contemplated the acquisition of all of the issued and outstanding shares of FLUENT, consistent with the Arrangement Agreement that was eventually executed by the Parties.

On March 5, 2026, the Board met to, among other things, review the proposed non-binding memorandum of understanding (the "**MOU**") for a potential transaction with Vireo that had been initially drafted by Vireo and subsequently negotiated by Vireo and FLUENT. The Board engaged in significant discussion, recognizing the vital nature of the proposal being discussed. The Board discussed the structure of the potential transaction, deal terms, exclusivity terms, Regulatory Approvals, diligence, and timing. At the conclusion of the meeting, the Board unanimously approved the entering into of the MOU, subject to certain amendments requested by the Board. The Board also provided authorization for FLUENT to continue conducting due diligence on Vireo and, subject to execution of the MOU, work towards definitive documentation with Vireo, under the guidance of the Special Committee and with input from the Board as required.

On March 7, 2026, following additional discussions between FLUENT and Vireo to finalize the MOU, FLUENT and Vireo executed the MOU. The MOU contained terms that were generally consistent with the terms of the Arrangement ultimately agreed to by the Parties in the Arrangement Agreement, including an exclusivity provision, pursuant to which FLUENT agreed to negotiate exclusively with Vireo for a period of 30 days from the execution of the MOU.

Following the execution of the MOU, FLUENT and Vireo, together with their respective legal advisors and, in the case of FLUENT, ATB Cormark, as its financial advisor, commenced detailed due diligence

investigations. FLUENT granted Vireo access to a virtual data room and Management participated in numerous diligence calls and meetings with representatives of Vireo covering, among other things, financial, operational, legal and regulatory matters. Vireo also provided certain diligence materials to FLUENT and ATB Cormark to aid in FLUENT and ATB Cormark's due diligence investigations on Vireo. These due diligence investigations between the Parties continued throughout the period leading up to the execution of the Arrangement Agreement.

Between March 7, 2026 and April 29, 2026, representatives of FLUENT and Vireo, together with their respective advisors, negotiated the terms of the Arrangement Agreement and related transaction documentation. Drafts of the Arrangement Agreement were exchanged between the Parties and revised to reflect ongoing negotiations.

Between March 7, 2026 and April 29, 2026, the Special Committee met frequently with Management and its advisors to review the status of due diligence, negotiations and the definitive documentation, including the Arrangement Agreement, and to consider the terms of the proposed transaction with Vireo. The Board also met periodically to receive updates from the Special Committee and Management regarding the progress of the proposed transaction.

Over the course of negotiations with Vireo, Management raised concerns with the Board in respect of the financial challenges that FLUENT was facing, specifically with respect to the possibility that FLUENT's liquidity may not be sufficient to meet its obligations as they become due. In these circumstances, the Board discussed viable options available to FLUENT in conjunction with the potential transaction with Vireo and determined that absent a strategic balance sheet transaction, FLUENT was expected to face risks to its operations and potential enforcement action by its creditors if such transactions were not completed. In response to this, FLUENT commenced negotiations with its lenders under the FLUENT Credit Agreement and on March 17, 2026, FLUENT entered into an amendment to the FLUENT Credit Agreement, which among other things permitted FLUENT to draw an additional \$6,000,000 under the FLUENT Credit Agreement on the date of the amendment in the form of term loans, which term loans bear a paid-in-kind interest rate of 13.00% per annum and are due to mature on December 31, 2026.

Concurrently, representatives of Management and Vireo Management engaged in a series of discussions regarding the aforementioned liquidity challenges faced by FLUENT in the context of the proposed transaction between the Parties. In an effort to streamline FLUENT's operations and enhance overall performance throughout FLUENT's platform prior to the completion of the potential transaction between the Parties and to address certain actions to address FLUENT's critical and accelerating financial difficulties, the Parties negotiated and the Board reviewed and ultimately approved, the Operating Budget to which FLUENT would be subject following execution of the Arrangement Agreement until completion of the Arrangement. In reviewing and approving the Operating Budget, the Board concluded that in the context of FLUENT's financial condition, and in furtherance of its approval of the Arrangement, the corresponding measures contemplated therein were suitable and aligned with FLUENT's objectives of achieving operating efficiency and supporting its efforts towards cash flow generation over time.

On April 27, 2026 and April 28, 2026, representatives of Vireo visited various FLUENT cultivation and manufacturing sites as part of its operational due diligence. Representatives of FLUENT and Vireo also met during these visits to discuss operational matters, including in relation to the Operating Budget.

Between January 2026 and April 2026, the Special Committee and the Board met 20 times with Management to discuss the status of the Arrangement, definitive and ancillary documentation, and other related transaction items.

On April 28, 2026, the Board met to, among other things, receive a presentation from Cassels on the transaction terms and from ATB Cormark on the financial, operational, and strategic rationale for the Arrangement and to receive the oral fairness opinion. The Board met again on April 29, 2026 and at the request of the Board, ATB Cormark reviewed its financial analysis with the Board and delivered an oral fairness opinion to the Board, which was confirmed by delivery of a written opinion dated April 29, 2026, to the effect that, as of such date and based upon and subject to the assumptions, limitations and qualifications

described in its opinion, the Consideration to be received by Shareholders pursuant to the Arrangement is fair, from a financial point of view, to such shareholders. The Special Committee then confirmed its unanimous determination that the Arrangement and entering into the Arrangement Agreement are in the best interests of FLUENT and that the Arrangement is fair to Shareholders and its recommendation that the Board authorize FLUENT to enter into the Arrangement Agreement and all related agreements and to recommend that Shareholders vote in favour of the Arrangement Resolution.

Following a discussion of the benefits and risks associated with the Arrangement, the Board, after considering, among other things, the recommendation of the Special Committee and the Fairness Opinion, unanimously determined that the Arrangement and entering into the Arrangement Agreement are in the best interests of FLUENT and is fair to the Shareholders and, with interested directors abstaining from voting, authorized FLUENT to enter into the Arrangement Agreement and all related agreements. The Board also unanimously resolved (with interested directors abstaining from voting) to recommend that Shareholders vote in favour of the Arrangement Resolution at the Meeting.

On April 29, 2026, FLUENT and Vireo, assisted by their respective legal and financial advisors, finalized the terms of the Arrangement Agreement and other transaction documents, including the Support Agreements, the FLUENT Credit Equitization Agreement and other ancillary documents. The Parties executed the Arrangement Agreement after the close of financial markets on April 29, 2026. Prior to the open of financial markets on April 30, 2026, FLUENT and Vireo issued a joint press release announcing the Arrangement.

On May 29, 2026, the Vireo Shareholders authorized the Share Consolidation and on June 1, 2026, the board of directors of Vireo approved the Share Consolidation ratio of 30-for-1 and the Share Consolidation became effective at market open on June 5, 2026

On June 8, 2026, FLUENT and Vireo entered into an amending agreement to the Arrangement Agreement, pursuant to which administrative amendments were made to reflect the Consideration on a post-Share Consolidation basis, being 0.002351197 Vireo Shares for each Common Share (after conversion of all (i) Proportionate Voting Shares and (ii) Non-Voting Shares) and to clarify that the Consideration Shares issued on completion of the Arrangement will be rounded down.

Recommendation of the Special Committee

The Special Committee, having undertaken a thorough review of, and having carefully considered the terms of the Arrangement and the Arrangement Agreement, and after consulting with representatives of Management and its financial and legal advisors, including having received and taken into account the Fairness Opinion and such other matters as it considered necessary and relevant, including the factors set out below under the heading "*Reasons for the Recommendation of the Special Committee and the Board*", unanimously determined that the Arrangement and entering into the Arrangement Agreement are in the best interests of FLUENT and that the Arrangement is fair to Shareholders, recommended to the Board that the Board authorize FLUENT to enter into the Arrangement Agreement and all related agreements and to recommend that Shareholders vote **IN FAVOUR** of the Arrangement Resolution.

Recommendation of the Board

The Board, having undertaken a thorough review of, and having carefully considered the terms of the Arrangement and the Arrangement Agreement, and after consultation with representatives of Management and its financial and legal advisors, having received the unanimous recommendation of the Special Committee, following receipt of the Fairness Opinion, and having received and taken into account such other matters as it considered necessary and relevant, including the factors set out below under the heading "*Reasons for the Recommendation of the Special Committee and the Board*", unanimously (with interested directors abstaining from voting) determined that the Arrangement and entering into the Arrangement Agreement are in the best interests of FLUENT and are fair to the Shareholders approved by the Arrangement and authorized FLUENT to enter into the Arrangement Agreement and all related agreements.

The Board unanimously recommends that Shareholders vote IN FAVOUR of the Arrangement Resolution.

All of the Supporting Shareholders are required to vote all of their Voting Shares in favour of the Arrangement Resolution, subject to the terms of the Arrangement Agreement and the Support Agreements.

Reasons for the Recommendation of the Special Committee and the Board

In reaching their conclusions and formulating their respective unanimous recommendations, the Special Committee and the Board consulted with Management and their respective legal and financial advisors. The Special Committee and the Board also reviewed a significant amount of financial information relating to FLUENT and Vireo and considered a number of factors, including those listed below. The following is a summary of the principal reasons for the unanimous recommendations of the Special Committee and the Board that Shareholders vote **IN FAVOUR** of the Arrangement Resolution.

1. **Strategic Review:** The Arrangement is the result of a comprehensive strategic review process conducted with the assistance of independent financial advisors and legal advisors and overseen by the Special Committee, which included a review of, among other things, prevailing market conditions as well as potential alternatives to maximize shareholder value while negotiating a transaction with Vireo.
2. **Diversification across U.S. Markets and Scale in Florida:** Following the completion of the Arrangement, FLUENT will gain exposure to a larger multi-state operator currently operating in 10 states across the U.S. Following completion of the Arrangement, Vireo is expected to deepen its presence in Florida with approximately 74 stores and approximately 144,000 square feet of combined cultivation and production canopy, creating a leading operator with scale in Florida's medical cannabis market.
3. **Operational Efficiencies:** Cost synergy opportunities are expected to be realized from anticipated cultivation, processing and operating efficiencies, corporate integration and eliminating duplicative public company costs.
4. **Enhancing Shareholder Value:** The Special Committee and the Board considered FLUENT's existing levels of indebtedness, liquidity position, and that, in an increasingly competitive industry, FLUENT will require additional funding in the future from the debt or equity markets to finance its business and operations. The Special Committee and the Board also considered the challenges and risks with respect to securing such funding in a reasonable time, or in full. Following completion of the Arrangement, Shareholders will have an ownership interest in a larger entity with access to capital.
5. **Enhanced Liquidity in Dollar Terms:** Following completion of the Arrangement, Shareholders will hold Vireo Shares, and it is expected that Shareholders will be able to benefit from the stronger liquidity in dollar terms of Vireo Shares relative to Common Shares.
6. **Strong Cash Balance and Leverage Profile:** Vireo is expected to be well capitalized with a pro forma cash balance (including restricted cash) of approximately \$146 million as of March 31, 2026. This cash balance is particularly noteworthy in the industry's currently capital scarce environment. Additionally, Vireo is expected to have a low leverage profile.
7. **Fairness Opinion:** The Special Committee and the Board received a verbal fairness opinion from ATB Cormark dated as of April 29, 2026, as to the fairness to Shareholders, from a financial point of view and as of the date of the opinion, of the Consideration to be received by the Shareholders, based upon and subject to the various assumptions, limitations and qualifications set forth in such opinion, as more fully described below.
8. **Business Climate and Review of Strategic Alternatives:** After consultation on the proposed Arrangement with their respective financial and legal advisors, and after review of the current and

prospective business climate in the cannabis industry and other strategic opportunities reasonably available to FLUENT, including continuation as an independent enterprise and other potential acquisitions or transactions, in each case taking into account the potential benefits, risks and uncertainties associated with those other opportunities, the Special Committee and the Board believe that the Arrangement represents FLUENT's best prospect for maximizing value for Shareholders.

9. **Support of the Board and Management Team:** The boards of directors of both companies have unanimously (with interested directors abstaining from voting) recommended support for the Arrangement. Additionally, all of the directors and members of executive management of FLUENT have entered into voting and support agreements dated April 29, 2026 (the "**Support Agreements**") pursuant to which they have agreed, among other things, to vote in favour of the Arrangement Resolution. The Support Agreements include key shareholders and relate to FLUENT Shares comprising approximately 38.3% of the issued and outstanding Common Shares (after conversion of all (i) Proportionate Voting Shares and (ii) Non-Voting Shares) as of the announcement date of the Arrangement.
10. **Arm's Length Transaction:** The Arrangement Agreement is the result of arm's length negotiations and includes terms and conditions that are reasonable in the judgment of the Special Committee and the Board.
11. **Ability to Close:** FLUENT and Vireo are committed to completing the Arrangement and have proven track records of completing their respective previously announced transactions.
12. **Superior Proposal:** Pursuant to the Arrangement Agreement, the Board remains able to respond to an unsolicited written Acquisition Proposal on the specific terms and conditions set forth in the Arrangement Agreement.
13. **Shareholder Approval:** The Arrangement Resolution must be approved by the affirmative vote of at least 66^{2/3}% of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting, voting as a single class.
14. **Court Approvals:** The Arrangement is subject to a judicial determination of the Court that the Arrangement is fair and reasonable, both procedurally and substantively, to Shareholders and other affected persons.
15. **Dissent Rights:** Registered Shareholders entitled to vote at the Meeting have the ability to exercise Dissent Rights and to receive fair value for their FLUENT Shares as determined by the Court, subject to strict compliance with all requirements applicable to the exercise of Dissent Rights.

In making its determinations and recommendations, the Special Committee and the Board also observed that a number of procedural safeguards were in place and are present to permit the Board to represent the interests of FLUENT, Shareholders and other FLUENT stakeholders. These procedural safeguards include, among others:

- **Fairness Opinion.** The Special Committee and the Board received the Fairness Opinion to the effect that, as of April 29, 2026, and based upon the assumptions, limitations, qualifications and other matters set out therein, the Consideration is fair, from a financial point of view, to the Shareholders. See "*Schedule C – Fairness Opinion*".
- **Support of Board, Management Team and Key Shareholders.** All of the directors and executive management of FLUENT, and certain key Shareholders of FLUENT, entered into Support Agreements pursuant to which they have agreed, among other things, to vote in favour of the Arrangement Resolution.

- **Role of Special Committee.** The Arrangement was reviewed and evaluated by the Special Committee, comprised of members of the Board who are independent of Vireo and of management of FLUENT. Following consultation with its legal and financial advisors and receipt of the Fairness Opinion, the Special Committee unanimously determined that the Arrangement and entering into the Arrangement Agreement are in the best interest of FLUENT, recommended to the Board that the Board authorize FLUENT to enter into the Arrangement Agreement and all related agreements and to recommend that Shareholders vote in favour of the Arrangement Resolution.
- **Arm's Length Transaction.** The terms of the Arrangement Agreement and the Arrangement are the result of a comprehensive and extensive negotiation process, undertaken with the active oversight and participation of the Special Committee, as well as legal counsel and financial advisors following a significant market test of a wide variety of strategic alternatives for FLUENT.
- **Ability to Respond to Superior Proposals.** Notwithstanding the limitations contained in the Arrangement Agreement on FLUENT's ability to solicit interest from third parties, the Arrangement Agreement allows the Board, in the exercise of its fiduciary duties, to engage in discussions or negotiations regarding any unsolicited competing proposal for FLUENT received prior to the Meeting that constitutes or would reasonably be expected to constitute a Superior Proposal, subject to the terms and conditions in the Arrangement Agreement.
- **Shareholder Approval.** The Arrangement Resolution must be approved by the affirmative vote of at least 66^{2/3}% of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting, voting as a single class.
- **Court Approvals.** The Arrangement is subject to a judicial determination of the Court that the Arrangement is fair and reasonable, both procedurally and substantively, to Shareholders and other affected persons.
- **Dissent Rights.** Registered Shareholders entitled to vote at the Meeting have the ability to exercise Dissent Rights and to receive fair value for their FLUENT Shares as determined by the Court, subject to strict compliance with all requirements applicable to the exercise of Dissent Rights.

The Special Committee and the Board also considered a variety of risks and other potentially negative factors relating to the Arrangement including those matters described under the heading "*Risk Factors*". The Special Committee and the Board believed that overall, the anticipated benefits of the Arrangement to FLUENT outweighed these risks and negative factors.

The information and factors described above and considered by the Special Committee and the Board in reaching their determinations and recommendations are not intended to be exhaustive, but include material factors considered by the Special Committee and the Board. In view of the wide variety of factors considered in connection with the evaluation of the Arrangement and the complexity of these matters, the Special Committee and the Board did not find it practicable to, and therefore did not, quantify, rank or otherwise assign relative weights to these factors. In addition, individual members of the Special Committee and the Board may have given different weight to different factors.

Fairness Opinion

ATB Cormark was retained by the Special Committee (for and on behalf of itself and the Board) to act as financial advisor to the Special Committee in connection with the Arrangement. The engagement includes providing the Special Committee with financial advisory services related to the Arrangement, including providing an opinion to the Special Committee and the Board as to the fairness, from a financial point of view, of the Consideration to be received by the Shareholders pursuant to the Arrangement.

At a meeting of the Special Committee and the Board held on April 29, 2026 to consider the Arrangement, ATB Cormark orally delivered its opinion to the Special Committee and the Board, respectively, which was subsequently confirmed in writing, to the effect that, as at the date thereof and based upon and subject to the assumptions, limitations, qualifications and other matters set out therein, the Consideration to be

received by Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Shareholders.

The full text of the Fairness Opinion, setting out, among other things, the scope of review, the assumptions made, matters considered and limitations and qualifications on the review undertaken in connection with the Fairness Opinion, is attached to this Circular as Schedule C. **This summary of the Fairness Opinion is qualified in its entirety by the full text of the opinion.**

Pursuant to the terms of the engagement letter with ATB Cormark dated February 2, 2026, among other things, FLUENT agreed to pay ATB Cormark: (i) a monthly work fee for each month that ATB Cormark provides services relating to the Arrangement, provided that the monthly work fee will not be payable after November 30, 2026, regardless of whether or not the Arrangement is completed, and provided further that if the Arrangement is completed prior to November 30, 2026, all unpaid work fees that would otherwise have been paid between the closing date of the Arrangement and November 30, 2026 will be payable at the time of closing; and (ii) a fixed fee for rendering the Fairness Opinion (which is not contingent on the conclusions reached in the Fairness Opinion or the completion of the Arrangement).

If the Arrangement does not proceed and the Arrangement Agreement or such other definitive agreement that may be entered into by FLUENT is terminated, FLUENT will be required to pay ATB Cormark a fee equal to 25% of any break-up, termination, topping, expense reimbursement or similar fee payment payable to FLUENT, less any portion of the work fee and/or the Fairness Opinion fixed fee, subject to the limits prescribed by the engagement letter. Additionally, if during the term of the engagement letter or within 12 months following the termination of the engagement letter, subject to certain exceptions, FLUENT completes a transaction with a third party other than Vireo, FLUENT will be required to pay ATB Cormark a transaction fee equal to 1.5% of the transaction value in certain circumstances.

FLUENT has also agreed to reimburse ATB Cormark for its reasonable and documented expenses incurred in connection with its services including, but not limited to, travel expenses, out-of-pocket fees, and disbursements of ATB Cormark's legal counsel, subject to a maximum of C\$25,000 (exclusive of taxes and disbursements), and to indemnify ATB Cormark against certain liabilities that might arise out of its engagement. The payment of expenses is not dependent on the completion of the Arrangement.

The Fairness Opinion was prepared at the request of and for the information and assistance of the Special Committee and the Board in connection with its consideration of the Arrangement. The Fairness Opinion is not a recommendation to any Shareholders as to how to vote or act on the Arrangement Resolution or any other matter relating to the Arrangement or a recommendation to the Special Committee or the Board to enter into the Arrangement Agreement. The Fairness Opinion does not address any other aspect of the Arrangement and no opinion or view was expressed as to the relative merits of the Arrangement in comparison to other strategies or transactions that might be available to FLUENT or in which FLUENT might engage or as to the underlying business decision of FLUENT to proceed with or effect the Arrangement. The Fairness Opinion is only one factor that was taken into consideration by the Special Committee in its unanimous determination that the Arrangement is in the best interests of FLUENT and is fair to the Shareholders and unanimous recommendation that Board authorize FLUENT to enter into the Arrangement Agreement and all related agreements and recommends that Shareholders vote in favour of the Arrangement Resolution. See "*The Arrangement – Reasons for the Recommendation of the Special Committee and the Board*". Neither ATB Cormark nor any of its affiliates or associates is an insider, associate or affiliate (as such terms are defined in applicable Canadian Securities Laws) of FLUENT or Vireo or any of their respective affiliates.

The Board urges Shareholders to review the Fairness Opinion carefully and in its entirety. See "*Schedule C – Fairness Opinion*".

Principal Steps of the Arrangement

Immediately prior to the Effective Time, on the terms and subject to the conditions of the Arrangement Agreement and in accordance with the terms of the FLUENT RSU Plan and FLUENT Option Plan, as applicable: (i) each RSU, whether vested or unvested, will vest and be settled by FLUENT in exchange for

one Common Share, less any applicable withholdings immediately prior to the Effective Time; and (ii) each Option, will accelerate in full and be terminated immediately prior to the Effective Time for no consideration, provided that FLUENT will, in accordance with the FLUENT Option Plan, deliver the Option Notices to permit such holders the opportunity to exercise their respective Options prior to such termination.

The following description of the Plan of Arrangement is qualified in its entirety by reference to the full text of the Plan of Arrangement, which is attached to this Circular as Schedule B.

If the Arrangement Resolution is approved at the Meeting, the Final Order approving the Arrangement is issued by the Court and the other applicable conditions to the completion of the Arrangement are satisfied or waived, the Arrangement will take effect commencing at the Effective Time, which is expected to be at 12:01 a.m. (EDT) on the Effective Date, which is expected to occur in the fourth quarter of 2026. Commencing and effective as at the Effective Time, each of the events set out below will occur and will be deemed to occur sequentially in the following order without any further act or formality required on the part of any person, unless stated otherwise:

- The FLUENT RSU Plan, the FLUENT Option Plan and all agreements relating to the RSUs and Options will be terminated and will be of no further force and effect.
- Each FLUENT Share held by a Dissenting Shareholder in respect of which Dissent Rights have been validly exercised will be transferred without any further act or formality to FLUENT (free and clear of any Liens of any nature whatsoever) for cancellation and will be cancelled, and upon such transfer: (i) such Dissenting Shareholder will cease to be, and will be deemed to cease to be, the holder of such FLUENT Shares and to have any rights as a Shareholder in respect of such FLUENT Shares other than the right to be paid the fair value by FLUENT for such FLUENT Shares as set out in the Plan of Arrangement; and (ii) such Dissenting Shareholder's name will be, and will be deemed to be, removed from the securities register of Shareholders maintained by or on behalf of FLUENT.
- Each Proportionate Voting Share (excluding any Proportionate Voting Shares held by a Dissenting Shareholder in respect of which Dissent Rights have been validly exercised) outstanding immediately prior to the Effective Time will be exchanged with FLUENT for 10 Common Shares, and upon such exchange: (i) each such exchanged Proportionate Voting Share will be cancelled, and the holder of such exchanged Proportionate Voting Share will be removed from the securities register of Shareholders maintained by or on behalf of FLUENT in respect of the Proportionate Voting Shares; (ii) each holder of such exchanged Proportionate Voting Share will be entered in the securities register of Shareholders maintained by or on behalf of FLUENT in respect of the Common Shares issued to such holder; and (iii) FLUENT will add an amount to the stated capital account maintained in respect of the Common Shares equal to the aggregate "paid-up capital" (within the meaning of the Tax Act) of the Proportionate Voting Share immediately prior to the exchange.
- Each Non-Voting Share (other than Non-Voting Shares held by a Dissenting Shareholder in respect of which Dissent Rights have been validly exercised) outstanding immediately prior to the Effective Time will be exchanged with FLUENT for one Common Share, and upon such exchange: (i) each such exchanged Non-Voting Share will be cancelled, and the holder of such exchanged Non-Voting Share will be removed from the securities register of Shareholders maintained by or on behalf of FLUENT in respect of the Non-Voting Shares; (ii) each holder of such exchanged Non-Voting Share will be entered in the securities register of Shareholders maintained by or on behalf of FLUENT in respect of the Common Shares issued to such holder; and (iii) FLUENT will add an amount to the stated capital account maintained in respect of the Common Shares equal to the aggregate "paid-up capital" (within the meaning of the Tax Act) of the Non-Voting Share immediately prior to the exchange.
- Each Common Share held by a Shareholder (excluding (x) Common Shares held by a Dissenting Shareholder in respect of which Dissent Rights have been validly exercised; and (y) Common Shares held by Vireo or any of its affiliates) including, for greater certainty, any Common Shares

issued to holders of Proportionate Voting Shares or Non-Voting Shares, will be and will be deemed to be transferred and assigned by the holder thereof, without any further act or formality on its part, to Vireo (free and clear of any Liens of any nature whatsoever), solely in exchange for the Consideration Shares, less any amounts withheld pursuant to the provisions of the Plan of Arrangement, and upon such exchange (i) each Shareholder of such exchanged Common Share will cease to be, and will be deemed to cease to be, the holder thereof and to have any rights as a Shareholder other than the right to receive the Consideration Shares issuable in respect of such Common Shares in accordance with the Plan of Arrangement; (ii) the name of each such Shareholder will be, and will be deemed to be, removed from the securities register of the Shareholders maintained by or on behalf of FLUENT; and (iii) Vireo will be, and will be deemed to be, the legal and beneficial owner of such transferred Common Shares and will be entered in FLUENT's securities register for the Common Shares as the sole holder thereof.

If completed, the Arrangement will result in the issuance, at the Effective Time, of the Consideration, being 0.002351197 Vireo Shares for each Common Share (after conversion of all (i) Proportionate Voting Shares and (ii) Non-Voting Shares) held at the Effective Time.

All Vireo Shares issued pursuant to the Arrangement will be, and will be deemed to be, validly issued and outstanding as fully paid and non-assessable.

Timing for Completion of the Arrangement

Subject to the provisions of the Arrangement Agreement, the Arrangement will become effective at the Effective Time on the Effective Date, being the date on which all of the conditions to completion of the Arrangement as set out in the Arrangement Agreement (excluding any conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or waiver of those conditions) have been satisfied or waived in accordance with the Arrangement Agreement, all documents agreed to be delivered thereunder have been delivered to the satisfaction of the recipient, acting reasonably, and the Certificate of Arrangement has been issued by the Director.

The Effective Date will be the date upon which FLUENT and Vireo agree in writing following the satisfaction or waiver of all conditions to completion of the Arrangement as set out in the Arrangement Agreement (excluding any conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or waiver of those conditions). If the Meeting is held as scheduled and is not adjourned and/or postponed, and the Shareholder Approval is obtained, it is expected that the Court hearing in respect of the Final Order will take place on or about August 4, 2026. If the Final Order is obtained in a form and substance satisfactory to FLUENT and Vireo, and all other conditions set forth in the Arrangement Agreement are satisfied or waived by the applicable Party, the Parties expect the Effective Date to occur in the fourth quarter of 2026, following the receipt of any required Regulatory Approvals or consents. However, it is not possible at this time to state with certainty when the Effective Date will occur as completion of the Arrangement may be delayed beyond this date if the conditions to completion of the Arrangement cannot be met on a timely basis. Subject to certain limitations, each Party may terminate the Arrangement Agreement if the Arrangement is not consummated by the Outside Date, which date will be automatically extended for up to an additional 91 days if the only unsatisfied condition is the receipt of the U.S. Regulatory Approvals or extended by mutual agreement of the Parties.

The Effective Date could be delayed for a number of reasons, including, but not limited to, an objection before the Court at the hearing of the application for the Final Order or any delay in obtaining any required Regulatory Approvals or consents, including the U.S. Regulatory Approvals, that remain outstanding. FLUENT and Vireo may determine not to complete the Arrangement without prior notice to or action on the part of, Shareholders or Vireo Shareholders. See "*Transaction Agreements – The Arrangement Agreement – Termination of the Arrangement Agreement*".

Treatment of Convertible Securities

Pursuant to the Arrangement Agreement, prior to the Effective Time, FLUENT will take all corporate action necessary to provide that (i) each Option will accelerate in full and be terminated for no consideration as of immediately prior to the Effective Time to the extent not exercised prior to such time and (ii) each RSU will

accelerate in full and be settled in FLUENT Shares as of immediately prior to the Effective Time, in each case in accordance with the terms of the FLUENT Option Plan and FLUENT RSU Plan, respectively; provided that FLUENT will, in accordance with the FLUENT Option Plan, deliver Option Notices to all holders of Options at least 10 days prior to the Effective Time.

Procedure for Exchange of FLUENT Shares for Consideration Shares and Letter of Transmittal

FLUENT and Vireo have appointed Odyssey Trust Company to act as Depositary to handle the exchange of FLUENT Shares for the Consideration. Following receipt of the Final Order and on the day immediately prior to the Effective Date, prior to the filing by FLUENT of the Articles of Arrangement with the Director, Vireo will deliver in escrow to its transfer agent (with a copy to the Depositary) a treasury direction irrevocably instructing its transfer agent to issue sufficient Consideration Shares to satisfy the aggregate Consideration payable to Registered Shareholders under the Arrangement and in accordance with the Plan of Arrangement, which Consideration will be held by the Depositary as agent and nominee for such Former Shareholders for distribution to such Former Shareholders in accordance with the Plan of Arrangement.

A Letter of Transmittal will be mailed to each person who was a Registered Shareholder on the Record Date. FLUENT has enclosed a return envelope with the Letter of Transmittal in order to assist Registered Shareholders with returning their Letter of Transmittal and related documents to the Depositary. The Letter of Transmittal will also be available under FLUENT's issuer profile on SEDAR+ at www.sedarplus.ca and on FLUENT's website at www.investors.getfluent.com. Additional copies of the Letter of Transmittal will also be available by contacting the Depositary at 1 (888) 290-1175 toll free in North America, or at 1(587) 885-0960 outside of North America, or by email at corp.actions@odysseytrust.com.

Registered Shareholders

In order to receive the Consideration that a Registered Shareholder (other than a Dissenting Shareholder) is entitled to receive under the Arrangement, each Registered Shareholder must deposit a properly completed and duly executed Letter of Transmittal along with the accompanying certificate(s) or DRS Statement(s) representing their FLUENT Shares to the Depositary (at the address specified in the Letter of Transmittal), together with all other documents and instruments referred to in the Letter of Transmittal or as reasonably required by the Depositary. It is recommended that Registered Shareholders send a properly completed and signed Letter of Transmittal, the accompanying certificate(s) and/or DRS Statement(s) representing their FLUENT Shares and such other documentation and instruments referred to in the Letter of Transmittal or as reasonably required by the Depositary, to the Depositary as soon as possible.

The Letter of Transmittal contains procedural information relating to the Arrangement and the exchange of FLUENT Shares for the Consideration that a Registered Shareholder is entitled to receive pursuant to the Arrangement and should be reviewed carefully. In all cases, delivery of the Consideration that a Registered Shareholder is entitled to receive pursuant to the Arrangement will be made only after timely receipt by the Depositary of a properly completed and duly executed Letter of Transmittal, together with the certificate(s) or DRS Statement(s) representing such Registered Shareholder's FLUENT Shares and such other documents and instruments referred to in the Letter of Transmittal or as the Depositary may reasonably require. The Depositary will deliver, or will cause the delivery of, the Consideration that a Registered Shareholder is entitled to receive pursuant to the Arrangement in accordance with the instructions in the properly completed and duly executed Letter of Transmittal. Vireo reserves the right, if it so elects in its absolute discretion, to instruct the Depositary to waive any irregularity contained in any Letter of Transmittal received by the Depositary.

As soon as practicable following the latter of the Effective Date and the deposit of certificate(s) or DRS Statement(s) representing a Registered Shareholder's FLUENT Shares, including the delivery of the properly completed and duly executed Letter of Transmittal and other corresponding documents required from such Registered Shareholder, the Depositary will deliver, or will cause to be delivered, the certificate or DRS Statement, as applicable, representing the Consideration Shares that such former Registered Shareholder is entitled to receive pursuant to the Arrangement, in accordance with the Plan of Arrangement and the instructions set forth in the Letter of Transmittal. Consideration Shares will be registered in such name or names as set out in the Letter of Transmittal, delivered to the address or addresses as such

Registered Shareholder directed in their Letter of Transmittal. If no instructions are provided by the Registered Shareholder in the Letter of Transmittal, the Consideration Shares will be issued in the name of the Registered Shareholder and mailed to the address of the Registered Shareholder as it appears on the register previously maintained by or on behalf of FLUENT.

Registered Shareholders may take delivery of the Consideration payable to them under the Arrangement by delivering the certificate(s) and/or DRS Statement(s) representing FLUENT Shares formerly held by them accompanied by a properly completed and duly executed Letter of Transmittal, together with such other documentation and instruments referred to in the Letter of Transmittal or as reasonably required by the Depositary to the Depositary at the offices indicated in the Letter of Transmittal at any time prior to the sixth anniversary of the Effective Date.

Registered Shareholders whose certificate(s) representing their FLUENT Shares have been lost, stolen or destroyed should refer to “– *Lost Certificates*” below.

Any properly completed and duly executed Letter of Transmittal, once deposited with the Depositary, together with the accompanying certificate(s) or DRS Statement(s) representing their FLUENT Shares and all other documents and instruments referred to in the Letter of Transmittal or as reasonably required by the Depositary, is irrevocable and may not be withdrawn by a Shareholder, except that all Letters of Transmittal will be automatically revoked if the Depositary is notified in writing by FLUENT and Vireo that the Arrangement has not been completed.

The method used to deliver a Letter of Transmittal, any accompanying certificate(s) or DRS Statement(s) representing FLUENT Shares and any other accompanying documents or instruments, if any, is at the option and risk of the Shareholder. Delivery will be deemed effective only when such documents are actually received by the Depositary at the address set out in the Letter of Transmittal. FLUENT recommends that the necessary documentation be hand delivered to the Depositary and a receipt therefor be obtained; otherwise, the use of registered mail with return receipt requested, properly insured, is recommended.

Under no circumstances will interest accrue on the Consideration Shares that a Shareholder is entitled to receive upon depositing certificate(s) or DRS Statement(s) representing FLUENT Shares pursuant to the Plan of Arrangement, regardless of any delay in making such delivery.

Whether or not Shareholders forward a Letter of Transmittal and the certificate(s) or DRS Statement(s) representing their FLUENT Shares to the Depositary, upon completion of the Arrangement, Shareholders will cease to be holders of FLUENT Shares as of the Effective Time. From and after the Effective Time, each certificate or DRS Statement that immediately prior to the Effective Time represented one or more FLUENT Shares will be deemed to represent only the right to receive in exchange therefore the Consideration the holder of such certificate or DRS Statement, as applicable, is entitled to receive in accordance with the Plan of Arrangement, less any amounts withheld pursuant to the Plan of Arrangement.

Non-Registered Shareholders

Only Registered Shareholders are required to submit a Letter of Transmittal. The exchange of FLUENT Shares for the Consideration in respect of any Non-Registered Shareholder is expected to be made with the Non-Registered Shareholder's Intermediary account through the procedures in place for such purposes between CDS or DTC and such Intermediary, as applicable, with no further action required by the Non-Registered Shareholder.

Any Non-Registered Shareholder whose FLUENT Shares are registered in the name of an Intermediary should contact that Intermediary if they have any questions regarding this process and to arrange for such Intermediary to complete the necessary steps to ensure that they receive the Consideration in respect of their FLUENT Shares.

Cancellation of Rights

From and after the Effective Date, certificates or DRS Statements formerly representing FLUENT Shares, other than Dissent Shares, which are held by a Shareholder will represent only the right to receive the

Consideration payable therefor under the Arrangement (after giving effect to any applicable tax withholdings). To the extent that a Former Shareholder has not complied with the provisions of the Plan of Arrangement, including, failing to deliver to the Depositary a duly completed Letter of Transmittal, the certificate(s) or DRS Statement(s) representing their FLUENT Shares or any other certificates, documents or instruments required to be delivered to the Depositary under the Plan of Arrangement in order for such Former Shareholder to receive the Consideration which such Former Shareholder is entitled to receive pursuant to the Plan of Arrangement, on or before the date that is the sixth anniversary of the Effective Date, then on the sixth anniversary of the Effective Date, (i) any Consideration Shares to which such Former Shareholder would otherwise have been entitled to receive, together with any distributions or dividends such holder would otherwise have been entitled to receive pursuant to the Plan of Arrangement, will be deemed to have been surrendered for no consideration to Vireo; and (ii) any certificate(s), DRS Statement(s), or other documentation representing FLUENT Shares formerly held by such Former Shareholder will cease to represent a claim or interest of any nature whatsoever.

None of the Parties, nor any of their respective successors, will be liable to any person in respect of any Consideration Shares (including any Consideration previously held by the Depositary as agent and nominee for any such Former Shareholder) which is forfeited to Vireo or delivered to any public official pursuant to any applicable abandoned property, escheat or similar Law.

Accordingly, Former Shareholders who deposit with the Depositary any certificate(s) or DRS Statement(s) representing FLUENT Shares after the sixth anniversary of the Effective Date will not receive the Consideration or any other consideration in exchange therefor and will not own any interest in FLUENT or Vireo and will not be paid any compensation.

Treatment of Fractional Consideration Shares

In no event will any Shareholder be entitled to a fractional Vireo Share. Where the aggregate number of Consideration Shares to be issued to a Shareholder would result in a fraction of a Vireo Share being issuable, the number of Vireo Shares to be received by such Shareholder will be rounded down to the nearest whole Vireo Share without any additional compensation.

Lost Certificates

In the event that any certificate which immediately prior to the Effective Time represented one or more outstanding FLUENT Shares in respect of which the holder was entitled to receive the Consideration Shares pursuant to the Plan of Arrangement, is lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depositary will, upon receipt by the Depositary of a duly completed and executed Letter of Transmittal and any other documents the Depositary requires, deliver or make available for pick up at its offices in exchange for such lost, stolen or destroyed certificate, the Consideration Shares to which such holder is entitled in respect of the FLUENT Shares represented by such lost, stolen or destroyed certificate pursuant to the Plan of Arrangement, less any amounts withheld pursuant to the Plan of Arrangement, deliverable in accordance with such holder's duly completed and executed Letter of Transmittal. When authorizing such delivery in exchange for any lost, stolen or destroyed certificate representing FLUENT Shares, the holder to whom Consideration Shares is to be delivered will, as a condition precedent to the delivery of such Consideration Shares, give a bond satisfactory to Vireo and the Depositary, each acting reasonably, in such sum as Vireo may direct, or otherwise indemnify the Depositary, Vireo and FLUENT in a manner satisfactory to the Depositary, Vireo and FLUENT, each acting reasonably, against any claim that may be made against Vireo and/or FLUENT with respect to the certificate alleged to have been lost, stolen or destroyed.

Mail Service Interruptions

Notwithstanding the provisions of the Arrangement, the Circular, the Letter of Transmittal, the certificate(s) or DRS Statement(s), as applicable, representing the Consideration Shares that a former Registered Shareholder is entitled to receive pursuant to the Plan of Arrangement, and any certificate(s) or DRS Statement(s) representing FLUENT Shares to be returned, if applicable, will not be mailed if Vireo and FLUENT determines that delivery thereof by mail may be delayed.

Persons entitled to certificates or DRS Statements, as applicable, and/or other relevant documents which are not mailed for the foregoing reason may take delivery thereof at the office of the Depositary at which the Letter of Transmittal related thereto was deposited until such time as Vireo and FLUENT have determined that delivery by mail will no longer be delayed.

Notwithstanding the foregoing section, certificates or DRS Statements, as applicable, and/or other relevant documents not mailed for the foregoing reason will be conclusively delivered on the first day upon which they are available for delivery at the office of the Depositary at which the FLUENT Shares were deposited.

Withholding Rights

FLUENT, Vireo or the Depositary, as applicable, will be entitled to deduct and withhold from any consideration payable or deliverable to any person under the Plan of Arrangement (including, without limitation, any payments to Dissenting Shareholders), such amounts as FLUENT, Vireo, or the Depositary, as applicable, is required to deduct and withhold, or reasonably believe to be required to deduct and withhold, with respect to such payment or delivery under any provision of any Law in respect of taxes. Any such amounts will be deducted, withheld and remitted from the amount otherwise payable or otherwise deliverable pursuant to the Plan of Arrangement and Arrangement Agreement and will be treated for all purposes under the Plan of Arrangement and Arrangement Agreement as having been paid or delivered to the person in respect of which such deduction or withholding was made; provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Authority by or on behalf of FLUENT, Vireo or the Depositary, as applicable. Each of FLUENT, Vireo, and the Depositary is authorized under the Plan of Arrangement to sell or otherwise dispose of such portion of Vireo Shares payable as Consideration as is necessary to provide sufficient funds to FLUENT, Vireo, or the Depositary, as applicable, to enable it to implement such deduction or withholding, and FLUENT, Vireo, or the Depositary will notify the holder thereof and remit to the holder any unapplied balance of the net proceeds of such sale.

Treatment of Dividends

All dividends and distributions made after the Effective Time with respect to the Vireo Shares allotted and issued pursuant to the Arrangement but for which a certificate has not been issued will be paid or delivered to the Depositary to be held by the Depositary in trust for the holder of such Vireo Shares. All monies received by the Depositary will be invested by it in interest-bearing trust accounts upon such terms as the Depositary may reasonably deem appropriate. Subject to the terms of the Plan of Arrangement, the Depositary will pay and deliver to any such holder, as soon as reasonably practicable after application therefor is made by such holder to the Depositary in such form as the Depositary may reasonably require, such dividends and distributions and any interest thereon to which such holder is entitled pursuant to the Arrangement, net of any applicable withholding and other taxes.

Adjustment of Consideration

If between the date of the Arrangement Agreement and the Effective Time: (a) the issued and outstanding Vireo Shares have been changed into a different number of shares or a different class by reason of any split, combination, consolidation, reclassification, dividend or the like, then the Consideration Shares to be paid per Common Share will be appropriately adjusted to provide Shareholders the same economic effect as contemplated by the Arrangement Agreement and the Plan of Arrangement prior to such action and as so adjusted will, from and after the date of such event, be the Consideration Shares to be paid per Common Share, subject to further adjustment in accordance with the Arrangement Agreement.

Return of FLUENT Shares

Upon written notice to the Depositary from FLUENT and Vireo that the Arrangement is not completed, any certificate(s) (and any other relevant documents) representing deposited FLUENT Shares will be returned to the depositing Shareholder by first class insured mail in the name of and to the address specified by the Shareholder in the Letter of Transmittal, or, if such name and address is not so specified, in such name and to such address as shown on the registers of FLUENT Shares maintained by or on behalf of FLUENT.

Expenses

Except as otherwise provided in the Arrangement Agreement, all out-of-pocket third party transaction expenses incurred in connection with the Arrangement Agreement and the transactions contemplated thereby, will be paid by the party incurring such expenses.

The estimated fees, costs and expenses to be incurred by FLUENT with respect to the Arrangement and related matters including, without limitation, financial advisors' fees, filing fees, committee, legal, accounting and other administrative and professional fees and public relations fees, the costs of preparing this Circular and printing and mailing other related documents and run-off insurance, but excluding payments made by FLUENT pursuant to the Arrangement, are set out in the Arrangement Agreement. Pursuant to the Arrangement Agreement, FLUENT has agreed that Transaction Expenses will not exceed an agreed upon amount as set out in the Arrangement Agreement.

REGULATORY MATTERS AND APPROVALS

Other than the U.S. Regulatory Approvals, the Shareholder Approval and the Final Order, FLUENT is not aware of any material approval, consent or other action by any federal, provincial, state or foreign government or any administrative or regulatory agency that would be required to be obtained in order to complete the Arrangement. In the event that any such approvals or consents are determined to be required, such approvals or consents will be sought. Any such additional requirements could delay the Effective Date or prevent the completion of the Arrangement. While there can be no assurance that any regulatory consents or approvals that are determined to be required will be obtained, FLUENT currently anticipates that any such consents and approvals that are determined to be required will have been obtained or otherwise resolved by the Effective Date. Subject to receipt of the Shareholder Approval and the Final Order and the satisfaction or waiver of all other conditions specified in the Arrangement Agreement, the Effective Date is expected to occur in the fourth quarter of 2026.

Shareholder Approval

At the Meeting, pursuant to the Interim Order, Shareholders will be asked to consider and, if deemed advisable, to pass, the Arrangement Resolution, the full text of which is set out in Schedule A to this Circular. Each Shareholder of record at the close of business on the Record Date will be entitled to vote on the Arrangement Resolution.

In order for the Arrangement to become effective, the Arrangement Resolution must be approved, with or without variation, by the affirmative vote of at least 66^{2/3}% of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting, voting as a single class. If the Arrangement Resolution is not approved by the requisite majority of Shareholders at the Meeting, the Arrangement cannot be completed.

Notwithstanding the foregoing, the Arrangement Resolution authorizes the Board, without further notice to or approval of the Shareholders, to amend the Arrangement Agreement or the Plan of Arrangement, to the extent permitted by the Arrangement Agreement or the Plan of Arrangement, and, subject to the terms of the Arrangement Agreement, to revoke the Arrangement Resolution at any time prior to the Effective Time if they decide not to proceed with the Arrangement.

The Board has approved the terms of the Arrangement Agreement and the Plan of Arrangement and unanimously recommends that the Shareholders vote **IN FAVOUR** of the Arrangement Resolution. See "*The Arrangement – Recommendation of the Board*" above.

It is the intention of the persons named in the instrument of proxy enclosed with the Meeting materials, if not expressly directed to the contrary in such instrument of proxy, to vote such proxy IN FAVOUR of the Arrangement Resolution.

Court Approvals

The Arrangement requires approval by the Court under section 182 of the OBCA. On June 11, 2026, FLUENT obtained the Interim Order providing for the calling and holding of the Meeting and other procedural matters. A copy of the Interim Order and the Notice of Application are attached hereto as Schedule D.

Under the Arrangement Agreement, FLUENT is required to seek the Final Order as soon as reasonably practicable but in any event not later than three Business Days following the approval of the Arrangement Resolution by Voting Shareholders at the Meeting. The Court hearing in respect of the Final Order is expected to take place on or about August 4, 2026. Persons wishing to participate, be represented or present evidence or arguments at the hearing may do so, subject to filing a notice of appearance and satisfying certain other requirements as set out in the Interim Order.

At the hearing of the application for the Final Order, the Court will consider, among other things, the procedural and substantive fairness of the terms and conditions of the Arrangement and the rights and interests of every person affected. The Court has broad discretion under the OBCA when making orders with respect to the Arrangement. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit. The Court may approve the Arrangement, either as proposed or as amended, on, or substantially on, the terms presented. Depending upon the nature of any required amendments, FLUENT and/or Vireo may determine not to proceed with the transactions contemplated in the Arrangement Agreement.

The Consideration Shares to be issued to Shareholders in exchange for their FLUENT Shares pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or applicable U.S. state securities laws and will be issued and exchanged in reliance upon the exemption from the registration requirements of the U.S. Securities Act set forth in Section 3(a)(10) thereof and similar exemptions provided by the applicable U.S. state securities laws. Section 3(a)(10) of the U.S. Securities Act exempts from registration a security that is issued in exchange for outstanding securities, claims or property interests from the general requirement of registration under the U.S. Securities Act where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction that is expressly authorized by law to grant such approval, after a hearing upon the fairness of the terms and conditions of such issuance and exchange to those to whom the securities will be issued, at which all persons to whom it is proposed to issue the securities have the right to appear and receive timely and adequate notice thereof. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Court will be advised before the hearing of the application for the Final Order that if the terms and conditions of the Arrangement, and the fairness thereof, are approved by the Court, the Final Order will be relied upon as a basis for the exemption from the registration requirements of the U.S. Securities Act set forth in Section 3(a)(10) thereof with respect to the Consideration Shares to be issued in exchange for the FLUENT Shares pursuant to the Arrangement. Accordingly, the Final Order of the Court will, if granted, constitute a basis for the exemption from the registration requirements of the U.S. Securities Act with respect to the issuance and exchange of the Consideration Shares in connection with the Arrangement.

Under the terms of the Interim Order, each FLUENT Securityholder, each director of FLUENT, the auditor of FLUENT and any other interested party with leave of the Court, will have the right to appear and make submissions at the application for the Final Order, subject to such party filing with the Court and serving upon counsel to FLUENT: Cassels Brock & Blackwell LLP, Suite 3200, Bay Adelaide Centre – North Tower, 40 Temperance Street, Toronto, Ontario M5H 0B4, Attention: Lara Jackson, a notice of appearance in the form required by the Court's rules, including such party's address for service, and any additional affidavits or other materials on which a party intends to rely, as soon as reasonably practicable, and in any event, no later than 5:00 p.m. (EDT) on July 31, 2026, or the second last Business Day before the hearing of the application or such other date as the Court may order. There can be no assurance that the Court will approve the Arrangement.

Subject to the Court ordering otherwise, only those persons who file a notice of appearance as set out in the Notice of Application and satisfy certain other requirements as set out in the Interim Order will be

provided with notice of the materials to be filed with the Court and the opportunity to make submissions in support or opposition of the Final Order. In the event that the hearing is postponed, adjourned or rescheduled, then, subject to further order of the Court, only those persons having previously served a notice of appearance in compliance with the Interim Order will be given notice of the postponement, adjournment or rescheduled date.

FLUENT Securityholders, directors of FLUENT, the auditor of FLUENT or other interested persons with leave of the Court who wish to participate in or be represented at the Court hearing for the Final Order should consult their legal advisors as to the necessary requirements.

For further information regarding the Court hearing and your rights in connection therewith, see the Notice of Application attached hereto as Schedule D. The Notice of Application constitutes notice of the Court hearing of the application for the Final Order and is your only notice of the Court hearing.

Assuming the Final Order is granted and the other conditions to completion of the Arrangement contained in the Arrangement Agreement are satisfied or waived to the extent legally permissible, then Articles of Arrangement will be filed with the Director to give effect to the Arrangement. See *"The Arrangement – Timing for Completion of the Arrangement"*.

U.S. Regulatory Approvals

The consummation of the Arrangement will require certain U.S. state regulatory approvals, which are required to be obtained as a condition precedent to completion of the Arrangement. Pursuant to the Arrangement Agreement, FLUENT and Vireo will notify the applicable state cannabis regulators of the Arrangement and will cooperate with each other to submit any required regulatory filings, complete any required background checks, and provide any additional information required by the applicable regulatory authorities in connection with their review.

Stock Exchange Listing

The Common Shares are listed and posted for trading on the CSE under the trading symbol "FNT.U" and are quoted on the OTCQB Venture Market under the symbol "CNTMF". The Vireo Shares are listed and posted for trading on the CSE under the trading symbol "VREO" and are quoted on the OTCQX Market under the symbol "VREOF".

Pursuant to the Arrangement Agreement, Vireo has agreed to make the required filings with the CSE to list the Consideration Shares on the CSE, other than customary post-closing filings required to be submitted within the applicable timeframe pursuant to the rules of the CSE. See *"Transaction Agreements – The Arrangement Agreement – Conditions"*.

Pursuant to the Arrangement Agreement, FLUENT and Vireo have, subject to applicable Laws, agreed to use their commercially reasonable efforts to take, or cause to take, all actions necessary to cause (i) the Common Shares to be delisted from the CSE and the OTCQB Venture Market after the Effective Time, and (ii) FLUENT to cease to be a reporting issuer under applicable Securities Laws as promptly as practicable following the Effective Date.

Canadian Securities Law Matters

Each Shareholder is urged to consult such Shareholder's professional advisors to determine the Canadian conditions and restrictions applicable to trades in the Consideration Shares issued pursuant to the Arrangement.

Status under Securities Laws and Delisting Matters

FLUENT is a reporting issuer in each of the provinces of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island and Saskatchewan. The Common Shares currently trade on the CSE. It is expected that the Common Shares will be delisted from the CSE as promptly as practicable following completion of the Arrangement and, subject to applicable Laws, Vireo will, as promptly as practical following completion of the Arrangement, apply to the applicable

Canadian Securities Authorities to have FLUENT cease to be a reporting issuer in all jurisdictions in which it is a reporting issuer and thus will terminate FLUENT's reporting obligations in Canada following completion of the Arrangement.

Vireo is a reporting issuer under Canadian Securities Laws in each of the provinces of Alberta, British Columbia, and Ontario. The Vireo Shares currently trade on the CSE under the symbol "VREO" and are quoted on the OTCQX Market under the symbol "VREOF". It is anticipated that, following completion of the Arrangement, the Vireo Shares will continue to be listed and posted for trading on the CSE under the symbol "VREO" and quoted on the OTCQX Market under the symbol "VREOF".

Distribution and Resale of Consideration Shares under Securities Laws

The distribution of the Consideration Shares pursuant to the Arrangement will constitute a distribution of securities which is exempt from the prospectus requirements of Canadian Securities Laws and is exempt from or otherwise is not subject to, the registration requirements under applicable Canadian Securities Laws. The Consideration Shares received pursuant to the Arrangement will not be legended and may be resold through registered dealers in each of the provinces and territories of Canada provided that (a) Vireo is a reporting issuer in a jurisdiction of Canada for four months immediately preceding the trade; (b) the trade is not a "control distribution" as defined NI 45-102; (c) no unusual effort is made to prepare the market or to create a demand for the applicable Consideration Shares; (d) no extraordinary commission or consideration is paid to a person or company in respect of such sale; and (e) if the selling security holder is an insider or officer of Vireo, the selling security holder has no reasonable grounds to believe that Vireo is in default of applicable Canadian Securities Laws. Each Shareholder is urged to consult the holder's professional advisors with respect to restrictions applicable to trades in Consideration Shares under Canadian Securities Laws.

Multilateral Instrument 61-101

FLUENT is subject to MI 61-101, which governs certain transactions that raise the potential for conflicts of interest, specifically issuer bids, insider bids, related party transactions and business combinations. MI 61-101 is intended to ensure that all securityholders are treated in a manner that is fair and equal and that is perceived to be fair and equal with respect to these transactions, and generally requires enhanced disclosure, approval by a majority of securityholders excluding "interested parties" or "related parties" (each as defined in MI 61-101), independent valuation and, in certain instances, approval and oversight of the transaction by a special committee of independent directors. The protections of MI 61-101 generally apply to a "business combination" (as defined in MI 61-101) that terminate the interests of securityholders without their consent and in circumstances where, *inter alia*, a "related party" of an issuer (as defined in MI 61-101), in connection with an arrangement, (i) is entitled to receive, *inter alia*, consideration for a security that is not identical in amount and form to the entitlement of shareholders generally or is entitled to a "collateral benefit" (as defined in MI 61-101), or (ii) is a party to a "connected transaction" (as defined in MI 61-101). If a transaction is determined to be a "business combination" or a "related party transaction", MI 61-101 requires that, in addition to the approval of the transaction by at least two-thirds of the vote cast by all shareholders present in person or represented by proxy at the applicable shareholder meeting, the transaction would be subject to "minority approval" requirements (as defined in MI 61-101).

A "connected transaction" means two or more transactions that have at least one party in common, directly or indirectly, other than transactions related solely to services as an employee, director or consultant, and (a) are negotiated or completed at approximately the same time, or (b) the completion of at least one of the transactions is conditional on the completion of each of the other transactions.

If "minority approval" is required, MI 61-101 requires that, in addition to being approved by the affirmative vote of at least 66^{2/3}% of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting, voting as a single class, the Arrangement Resolution be approved by the affirmative vote of a simple majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting, excluding votes cast in respect of FLUENT Shares held by "related parties" who (i) receive a "collateral benefit" as a consequence of the transaction, or (ii) are a party to a "connected transaction".

A “collateral benefit”, as defined by MI 61-101, includes any benefit that a “related party” of FLUENT is entitled to receive as a consequence of the Arrangement, including without limitation, an increase in salary, a lump sum payment, a payment for surrendering securities or other enhancement in benefits related to services as an employee, director or consultant of FLUENT. MI 61-101 excludes from the meaning of “collateral benefit” a payment per security that is identical in amount and form to the entitlement of the general body of holders in Canada of securities of the same class, as well as certain benefits to a “related party” that are received solely in connection with the related party’s service as an employee, director or consultant of the issuer, of an affiliated entity of the issuer or of a successor to the business of the issuer where: (a) the benefit is not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to the “related party” for securities relinquished under the transactions; (b) the conferring of the benefit is not, by its terms, conditional on the “related party” supporting the transaction in any manner; (c) full particulars of the benefit are disclosed in the disclosure document for the transaction; and (d) either (i) at the time the transaction was agreed to, the “related party” and their associated entities beneficially own, or exercise control or direction over, less than 1% of each class of the outstanding securities of the issuer, or (ii) the “related party” discloses to an independent committee of the issuer the amount of the consideration that they expect to be beneficially entitled to receive, under the terms of the transaction, in exchange for the equity securities they beneficially own and the independent committee acting in good faith determines that the value of the benefit, net of any offsetting costs to the “related party”, is less than 5% of the value of the consideration the “related party” will receive pursuant to the terms of the transaction for the equity securities it beneficially owns, and the independent committee’s determination is disclosed in the disclosure document for the transaction.

As previously described in this Circular, all of the issued and outstanding FLUENT Shares will be exchanged for the Consideration under the terms of the Plan of Arrangement. Unless certain exceptions apply, the Arrangement would be considered a “business combination” in respect of FLUENT pursuant to MI 61-101 as the interest of a holder of a FLUENT Share may be terminated without the holder’s consent.

All of the directors and officers of FLUENT who are related parties entitled to a benefit and/or payment that they expect to receive pursuant to the Arrangement fall within the exception to the definition of “collateral benefit” under MI 61-101. In particular, the benefits are received solely in connection with their services as employees or directors of FLUENT or of any affiliates of FLUENT, and (a) are not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to them for their FLUENT Shares, (b) are not conditional on them supporting the Arrangement in any manner, (c) full particulars of the benefits are disclosed in this Circular (see “*Regulatory Matters and Approvals – Interests of Certain Persons or Companies in the Arrangement – Change of Control Provisions*”), and (d) either (i) at the time of entering into the Arrangement Agreement, they exercised control or direction over, or beneficially owned, less than 1% of the outstanding FLUENT Shares, as calculated in accordance with MI 61-101, or (ii) (A) they disclosed to the Special Committee, the amount of consideration that they expected to be entitled to receive under the terms of the Arrangement in exchange for the equity securities beneficially owned by each of them, and (B) the Special Committee, acting in good faith, determined that the value of the benefit, net of any offsetting costs to the related parties, is less than 5% of the value referred to in (A).

For the purposes of MI 61-101, William Smith is a “related party” to FLUENT given that Mr. Smith is a director of FLUENT and beneficially owns, or has control or direction over, directly or indirectly, securities of FLUENT carrying more than 10% of the voting rights attached to all of FLUENT’s outstanding voting securities for the purposes of MI 61-101. As previously described in this Circular, concurrently with the completion of the Arrangement, the Smith Convertible Note will, in accordance with the terms of the Smith Convertible Note, be repaid in full by Vireo. FLUENT has determined that, for the purposes of MI 61-101 such repayment is not a “connected transaction” to the Arrangement given that the repayment is not a separate transaction negotiated in connection with the Arrangement, but rather the enforcement of a pre-existing contractual right under the Smith Convertible Note that is triggered automatically by the change of control of FLUENT resulting from the Arrangement. In particular, (i) the repayment obligation arises under the existing terms of the Smith Convertible Note, (ii) neither party to the Smith Convertible Note nor Vireo engaged in negotiations with respect to the terms of such repayment in connection with the Arrangement, and (iii) the repayment of the Smith Convertible Note will be completed in accordance with the terms of the Smith Convertible Note as they existed prior to the Arrangement.

In addition, The Hawthorne Collective, which holds over 10% of the FLUENT Shares and is a related party of FLUENT, is not entitled to any benefit and/or payment under the Arrangement, and will receive the Consideration payable to all Shareholders pursuant to the Arrangement.

Accordingly, the Arrangement is not considered to be a “business combination” in respect of FLUENT, and as a result, no “minority approval” is required for the Arrangement Resolution. In addition, since the Arrangement does not constitute a business combination, no formal valuation of FLUENT is required for the Arrangement under MI 61-101.

Interests of Certain Persons or Companies in the Arrangement

The directors and senior officers of FLUENT may have interests in the Arrangement that are, or may be, different from, or in addition to, the interests of the Shareholders and that may present them with actual or potential conflicts of interest in connection with the Arrangement. These interests include those described below. The Special Committee and Board were aware of these interests and considered them, among other matters, when evaluating and negotiating the Arrangement Agreement and recommending approval of the Arrangement by the Shareholders, as applicable.

All benefits received, or to be received, by the directors and senior management of FLUENT as a result of the Arrangement are, and will be, solely in connection with their services as directors and senior officers of FLUENT. No benefit has been, or will be, conferred for the purpose of increasing the value of consideration payable to any such person for the FLUENT Shares held by such person and no benefit is, or will be, conditional on any person supporting the Arrangement.

Ownership of FLUENT Shares and Convertible Securities

As of the Record Date, each of the directors and senior officers of FLUENT and their associates and affiliates, beneficially owned, directly or indirectly, or exercised control or direction over the FLUENT Shares, RSUs, and Options outlined in the table below.

All FLUENT Shares, RSUs, and Options held by directors and senior officers of FLUENT and their associates and affiliates will be treated in the same manner pursuant to the terms of the Arrangement Agreement and under the Arrangement as FLUENT Shares, RSUs, and Options held by other FLUENT Securityholders and in accordance with the FLUENT RSU Plan and the FLUENT Option Plan, as applicable. See “*The Arrangement – Details of the Arrangement*” for how the FLUENT Shares will be affected by the Arrangement and “*The Arrangement – Timing for Completion of the Arrangement*”, “*The Arrangement – Treatment of Convertible Securities*” and below for how the other FLUENT Shares, RSUs, and Options will be affected by the Arrangement.

RSUs

If the Arrangement is consummated, each RSU, whether vested or unvested, will vest and be settled by FLUENT in exchange for one Common Share, less any applicable withholdings, immediately prior to the Effective Time.

Options

If the Arrangement is consummated, each Option, will accelerate in full and be terminated immediately prior to the Effective Time for no consideration, provided that FLUENT will, in accordance with the FLUENT Option Plan, deliver Option Notices to all holders of Options at least 10 days prior to the Effective Time to permit such holders the opportunity to exercise their respective Options prior to such termination.

Ownership of FLUENT Shares, RSUs, and Options

The table below sets forth the number of FLUENT Shares, RSUs, and Options beneficially owned or controlled, directly or indirectly, by each of the directors and senior officers of FLUENT, each insider, and each of their associates or affiliates as of the Record Date.

Name	Common Shares	Proportionate Voting Shares	RSUs	Options	Number of Consideration Shares Issuable Pursuant to the Arrangement ⁽³⁾
David Vautrin <i>Interim Chief Executive Officer</i>	5,118,500	Nil	210,000	311,250	12,528
Patricia Fonseca <i>Chief Financial Officer</i>	Nil	Nil	Nil	2,000,000	Nil
Roger Daher⁽¹⁾	2,639,124	Nil	Nil	750,000	6,205
Mark Eckenrode <i>Director</i>	2,890,226	Nil	Nil	1,000,000	6,795
Richard Mavrinac <i>Director</i>	1,140,671	Nil	Nil	750,000	2,681
Seth Sholes <i>Director</i>	Nil	Nil	Nil	Nil	Nil
William Smith⁽²⁾ <i>Director</i>	64,189,527	1,421,538	Nil	1,000,000	184,345
Dawn Sweeney <i>Director</i>	667,823	Nil	Nil	750,000	1,570
Matthew Mundy <i>Director</i>	135,381	Nil	Nil	2,280,125	318
Victor Bindi <i>Chief Operating Officer</i>	Nil	Nil	Nil	2,000,000	Nil

Notes:

1. Roger Daher is the registered owner of 2,409,124 Common Shares and 750,000 Options. RGDRX HOLDINGS INC., a company controlled by Mr. Daher, is the registered owner of 210,000 Common Shares. Roger Daher's daughter, Cassandra Daher is the registered owner of 8,000 Common Shares. Ryan Daher, Roger Daher's son, is the registered owner of 8,000 Common Shares and Steven Daher, Roger Daher's son, is the registered owner of 4,000 Common Shares.
2. William Smith is the registered owner of 3,333,159 Common Shares and 1,000,000 Options. The reported number of FLUENT Shares beneficially owned or controlled by Mr. Smith consists of the following securities held by entities controlled by Mr. Smith: (i) Can Endeavour LLC is the registered owner of 21,555,483 Common Shares; (ii) Endeavour Holdings LLC is the registered owner of 20,288,263 Common Shares and 1,421,538 Proportionate Voting Shares; and (iii) Sage Investing LLC is the registered owner of 19,012,622 Common Shares.
3. Assuming termination of all Options pursuant to the Arrangement Agreement.

Change of Control Provisions

FLUENT entered into an employment agreement with Victor Bindi, Chief Operating Officer dated November 5, 2025 (the "**Bindi Employment Agreement**"), whereby he is currently compensated at the rate of \$300,000 annually. Under the terms of the Bindi Employment Agreement, if (a) FLUENT terminates Mr.

Bindi's employment without Cause (as defined therein) at any time including via non-renewal by FLUENT at the conclusion of the Initial Term or any renewal Term (in each case as such terms are defined therein) or (b) if Mr. Bindi's employment is terminated by Mr. Bindi with Good Reason (as defined therein), including, in each case, in connection with a Change of Control (as defined therein), in addition to the Base Salary (as defined therein) that has accrued and to which they are entitled to as of the termination date, Mr. Bindi will be paid, subject to certain conditions, the Base Salary for a period of six months following the termination date, unless the termination is via non-renewal, in which case the salary continuation will be for a period of three months following the termination date. The salary continuation will be reduced by the amount of any income received, earned and/or derived from his employment or engagement by any other person or entity during the severance period.

FLUENT entered into an employment agreement with Patricia Fonseca, Chief Financial Officer, dated November 5, 2025 (the "**Fonseca Employment Agreement**") whereby she is currently compensated at the rate of \$301,000 annually. Under the terms of the Fonseca Employment Agreement, if (a) FLUENT terminates Ms. Fonseca's employment without Cause (as defined therein) at any time including via non-renewal by FLUENT at the conclusion of the Initial Term or any renewal Term (in each case as such terms are defined therein) or (b) if Ms. Fonseca's employment is terminated by Ms. Fonseca with Good Reason (as defined therein), including, in each case, in connection with a Change of Control (as defined therein), in addition to the Base Salary (as defined therein) that has accrued and to which they are entitled to as of the termination date, Ms. Fonseca will be paid, subject to certain conditions, the Base Salary for a period of six months following the termination date, unless the termination is via non-renewal, in which case the salary continuation will be for a period of three months following the termination date. The salary continuation will be reduced by the amount of any income received, earned and/or derived from her employment or engagement by any other person or entity during the severance period.

FLUENT entered into an employment agreement with Matthew Mundy, Chief Legal Officer, dated April 25, 2018 as amended on October 24, 2020 (the "**Mundy Employment Agreement**"), whereby he is currently compensated at the rate of \$291,843. Under the terms of such agreement, if (a) FLUENT terminates Mr. Mundy's employment, other than for cause, within 12 months following a Change of Control (as such term is defined therein), or (b) a "Triggering Event", as such term is defined in the Mundy Employment Agreement, occurs (including if the terms of Mr. Mundy's employment are materially changed without the express consent of Mr. Mundy in writing and Mr. Mundy elects to resign within 12 months of a Change of Control), then Mr. Mundy is entitled to receive (i) 12 months' salary in lieu thereof, plus one month's salary for every year and part year that Mr. Mundy has been employed by FLUENT (subject to a maximum of 18 months), plus (ii) the average annual bonus actually paid to Mr. Mundy with respect to the two completed years preceding the date of termination. Under the terms of such agreement, if (a) FLUENT terminates Mr. Mundy's employment, other than for cause, then Mr. Mundy is entitled to receive (i) 9 months' salary in lieu thereof, plus one month's salary for every year and part year that Mr. Mundy has been employed by FLUENT (subject to a maximum of 18 months), plus (ii) the average annual bonus actually paid to Mr. Mundy with respect to the two completed years preceding the date of termination. In addition, under the terms of such agreement, in the event of a Change of Control or a termination without cause, any outstanding and unvested equity will vest on the date notice of termination is provided by either party to the other.

The estimated incremental payments and benefits that would be received by Matthew Mundy, Patricia Fonseca and Victor Bindi if a change of control event occurred within 12 months of the Effective Date are as follows, calculated as at June 12, 2026: (i) 523,060; (ii) \$160,000; and (iii) \$150,000.

The amounts payable as described above are consistent with the disclosure made by FLUENT in its most recent Statement of Executive Compensation which is attached to this Circular as Schedule F-1 and available on FLUENT's issuer profile on SEDAR+ at www.sedarplus.ca.

Incentive Awards

FLUENT intends to conduct compensation reviews and grant cash-based bonus awards consistent with past practice for the period up to the Effective Date, subject to the terms of the Arrangement Agreement.

Insurance and Indemnification

From and after the Effective Time, Vireo has agreed to honour all rights to indemnification existing in favour of present and former officers and directors of FLUENT and its Subsidiaries. Vireo has acknowledged that such rights will survive the completion of the Arrangement and will continue in full force and effect in accordance with their terms for a period of not less than six years from the Effective Date. Notwithstanding the foregoing, pursuant to the Arrangement Agreement, prior to the Effective Time, FLUENT has agreed to purchase prepaid non-cancellable “tail” directors’ and officers’ liability insurance providing coverage for a period of six years from the Effective Date with respect to claims arising from or related to facts or events which occur on or prior to the Effective Date and Vireo will, or will cause FLUENT and its Subsidiaries to maintain such tail policies in effect without any reduction in scope or coverage for six years after the Effective Date; provided that FLUENT will not pay, and Vireo will not be required to pay in excess of 300% of the current annual premium paid by FLUENT and its Subsidiaries prior to the date of the Arrangement Agreement in respect of such “tail” policy. See “*Transaction Agreements – The Arrangement Agreement – Insurance and Indemnification*”.

U.S. Securities Law Matters

The following discussion is a general overview of certain requirements of U.S. Securities Laws that may be applicable to Shareholders. All Shareholders are urged to consult with their own legal counsel to ensure that any subsequent resale of Consideration Shares to be received in exchange for their FLUENT Shares pursuant to the Arrangement complies with applicable securities legislation.

Further information applicable to Shareholders in the United States is disclosed under the heading “*Notice to FLUENT Securityholders in the United States*”.

The following discussion does not address the Canadian Securities Laws that will apply to the issue of Consideration Shares to Shareholders in exchange for their FLUENT Shares, or the resale of any Consideration Shares received in exchange for FLUENT Shares within Canada by Shareholders. Shareholders reselling any such securities in Canada must comply with Canadian Securities Laws, as outlined elsewhere in this Circular.

Exemption from the Registration Requirements of the U.S. Securities Act

The Consideration Shares to be issued to Shareholders in exchange for their FLUENT Shares pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or the securities Laws of any state of the United States and will be issued and exchanged in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof and similar exemptions provided under the securities Laws of each state of the United States in which Shareholders reside. Section 3(a)(10) of the U.S. Securities Act exempts the issuance of any securities issued in exchange for one or more *bona fide* outstanding securities from the general requirement of registration where the terms and conditions of the issuance and exchange of such securities have been approved by a court of competent jurisdiction that is expressly authorized by law to grant such approval, after a hearing upon the substantive and procedural fairness of the terms and conditions of such issuance and exchange at which all persons to whom it is proposed to issue the securities have the right to appear and receive timely and adequate notice thereof. The Court is authorized to conduct a hearing at which the procedural and substantive fairness of the terms and conditions of the Arrangement will be considered. All persons to whom it is proposed to issue the securities are entitled to appear and be heard at this hearing, provided that they satisfy the applicable conditions set forth in the Interim Order. The Court granted the Interim Order on June 11, 2026, and, subject to the approval of the Arrangement by Shareholders, a hearing on the Arrangement is expected to be held on or about August 4, 2026, by the Court. Accordingly, the Final Order, if granted, will constitute a basis for the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof with respect to the Consideration Shares to be issued to Shareholders in exchange for their FLUENT Shares pursuant to the Arrangement. The Court has been informed of this effect of the Final Order.

Resales of Consideration Shares after the Effective Date

The manner in which a Shareholder may resell Consideration Shares issued to such Shareholder at the Effective Time will depend on whether such Shareholder is an “affiliate” of Vireo after the Effective Date or was an affiliate of Vireo within 90 days prior to the Effective Date. As defined in Rule 144, an “affiliate” of an issuer is a person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the issuer. Typically, persons who are executive officers, directors or principal shareholders of an issuer are considered to be its “affiliates”. Certain United States federal resale requirements applicable to Shareholders are summarized below.

Resales by Persons Who Are Non-Affiliates Before and After the Effective Time

Shareholders who are not affiliates of Vireo within 90 days before the Effective Date and who will not be affiliates of Vireo after the Effective Date may resell the Consideration Shares issued to them at the Effective Time without restriction under the U.S. Securities Act. Notwithstanding the foregoing, certain restrictions apply to the Consideration Shares issued in exchange for FLUENT Shares issued to certain Lenders pursuant to the FLUENT Credit Equitization, as set out below under the heading “*Resales by Certain Lenders under the Credit Equitization Agreement*”.

Resales by Persons Who Are Affiliates Pursuant to Rule 144

In general, pursuant to Rule 144, persons who are “affiliates” of Vireo after the Effective Date, or were “affiliates” of Vireo within 90 days prior to the Effective Date, will be entitled to sell those Consideration Shares that they receive pursuant to the Arrangement, provided that, during any three-month period, the number of such Consideration Shares sold does not exceed the greater of 1% of the then-outstanding Vireo Shares or, if such Vireo Shares are listed on a United States securities exchange and/or reported through the automated quotation system of a U.S. registered securities association, the average weekly trading volume of such Vireo Shares during the four calendar week period preceding the date of sale, subject to specified restrictions on manner of sale requirements, aggregation rules, notice filing requirements and the availability of current public information about Vireo. Notwithstanding the foregoing, certain restrictions apply to the Consideration Shares issued in exchange for FLUENT Shares issued to certain Lenders pursuant to the FLUENT Credit Equitization, as set out below under the heading “*Resales by Certain Lenders under the Credit Equitization Agreement*”.

Resales by Persons Who Are Affiliates Pursuant to Regulation S

In general, pursuant to Regulation S, persons who are “affiliates” of Vireo after the Effective Date, or were “affiliates” of Vireo within 90 days prior to the Effective Date, solely by virtue of their status as an officer or director of Vireo, may sell their Consideration Shares outside the United States in an “offshore transaction” if none of the seller, an affiliate or any person acting on their behalf engages in “directed selling efforts” in the United States with respect to such Consideration Shares and provided that no selling concession, fee or other remuneration is paid in connection with such sale other than the usual and customary broker's commission that would be received by a person executing such transaction as agent. For purposes of Regulation S, “directed selling efforts” means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the securities being offered. Also, for purposes of Regulation S, an offer or sale of securities is made in an “offshore transaction” if the offer is not made to a person in the United States and either (a) at the time the buy order is originated, the buyer is outside the United States, or the seller reasonably believes that the buyer is outside of the United States, or (b) the transaction is executed in, on or through the facilities of a “designated offshore securities market” (which would include a sale through the CSE), and neither the seller nor any person acting on its behalf knows that the transaction has been pre-arranged with a buyer in the United States. Certain additional restrictions set forth in Rule 903 of Regulation S are applicable to sales outside the United States by a holder of Consideration Shares who is an “affiliate” of Vireo after the Effective Date, or was an “affiliate” of Vireo within 90 days prior to the Effective Date, other than by virtue of his or her status as an officer or director of Vireo.

Resales by Certain Lenders under the Credit Equitization Agreement

The Consideration Shares issued in exchange for FLUENT Shares issued to certain Lenders pursuant to the FLUENT Credit Equitization will be “restricted securities” (as defined in Rule 144) and will be subject to restrictions on transfer under the U.S. Securities Act and applicable U.S. state securities laws. Such Consideration Shares may not be offered, sold, pledged or otherwise transferred without registration under the U.S. Securities Act and all applicable U.S. state securities laws or in compliance with available exemptions therefrom, and will bear a U.S. restrictive legend to such effect. Any transfers of such Consideration Shares other than pursuant to an effective registration statement under the U.S. Securities Act must be accompanied by an opinion of counsel of recognized standing or other evidence in form and substance reasonably satisfactory to Vireo and Odyssey to the effect that the proposed transfer is exempt from registration under the U.S. Securities Act and any applicable state securities laws.

The foregoing discussion is only a general overview of certain requirements of U.S. Securities Laws applicable to the issuance and resale of securities issuable pursuant to the Arrangement. All holders of such securities are urged to consult with counsel to ensure that the resale of their securities complies with applicable securities legislation.

NONE OF THE CONSIDERATION SHARES TO WHICH FLUENT SHAREHOLDERS WILL BE ENTITLED PURSUANT TO THE ARRANGEMENT HAVE BEEN APPROVED OR DISAPPROVED BY THE SEC OR SECURITIES REGULATORY AUTHORITIES OF ANY STATE OF THE UNITED STATES, NOR HAS THE SEC OR SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES PASSED ON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

TRANSACTION AGREEMENTS

The Arrangement Agreement

The following summarizes the material provisions of the Arrangement Agreement. This summary may not contain all of the information about the Arrangement Agreement that is important to Shareholders. The rights and obligations of the Parties are governed by the express terms and conditions of the Arrangement Agreement and not by this summary or any other information contained in this Circular. Shareholders are urged to read the Arrangement Agreement carefully and in its entirety, as well as this Circular, before making any decisions regarding the Arrangement. This summary is subject to, and qualified in its entirety by the full text of the Arrangement Agreement, which is incorporated by reference herein and has been filed under FLUENT’s issuer profile on SEDAR+ at www.sedarplus.ca, and by the Plan of Arrangement, which is attached to this Circular as Schedule B.

In reviewing the Arrangement Agreement and this summary, please note that this summary has been included to provide Shareholders with information regarding the terms of the Arrangement Agreement and is not intended to provide any other factual information about FLUENT, Vireo or any of their Subsidiaries or affiliates. The Arrangement Agreement contains representations and warranties and covenants by each of the Parties to the Arrangement Agreement, which are summarized below. These representations and warranties have been made solely for the benefit of the other Party to the Arrangement Agreement and:

- were not intended as statements of fact, but rather as a way of allocating the risk to one of the Parties if those statements prove to be inaccurate;
- have been qualified by certain confidential disclosures that were made to the other Party in connection with the negotiation of the Arrangement Agreement, which disclosures are not reflected in the Arrangement Agreement; and
- may apply standards of materiality in a way that is different from what may be viewed as material by Shareholders or other investors or are qualified by reference to a Material Adverse Effect in respect of FLUENT or Vireo, as applicable.

Moreover, information concerning the subject matter of the representations and warranties in the Arrangement Agreement and described below may have changed since the date of the Arrangement Agreement and subsequent developments or new information qualifying a representation or warranty may have been included in this Circular. Accordingly, the representations and warranties and other provisions of the Arrangement Agreement should not be read alone, but instead should be read together with the information provided elsewhere in this Circular and in the documents incorporated by reference into this Circular.

Representations and Warranties

The Arrangement Agreement contains customary representations and warranties, which relate to (i) in the case of FLUENT, among other things, organization and qualification; Subsidiaries; no other equity interests; corporate power and authority relative to the Arrangement Agreement; required filings and approvals; no violation of constating documents or certain agreements; capitalization; shareholder and similar agreements; reporting issuer status and Securities Law matters including stock exchange matters; U.S. Securities Law matters; financial statements; undisclosed liabilities; auditors; absence of certain changes; compliance with Laws; litigation; insolvency; data privacy and security, and artificial intelligence; property; sufficiency of assets; material contracts; permits; environmental matters; operational matters; taxes; employment matters; health and safety; acceleration of benefits; pension and employee benefits; employee matters; Intellectual Property; insurance; books and records; non-arm's length transactions; financial advisors and brokers; Fairness Opinion matters; approval of the board and the Special Committee; arrangements with securityholders; the Investment Canada Act; the Competition Act; confidentiality agreements; and customers, suppliers, inventory, accounts receivable, and operating budget; and (ii) in the case of Vireo, among other things organization and qualification; corporate power and authority relative to the Arrangement Agreement; required filings and approvals; capitalization; Subsidiaries; the Consideration Shares; reporting issuer status and Securities Law matters; U.S. Securities Law matters; financial statements; litigation; shareholder approval; resale restrictions and registration requirements regarding the Consideration Shares; taxes; approval of the board; and the Investment Canada Act.

Covenants

FLUENT and Vireo have agreed to certain covenants that will be in force between the date of the Arrangement Agreement and the Effective Time. Set forth below is a brief summary of certain of those covenants.

Efforts to Obtain Required Shareholder Approval

The Arrangement Agreement requires FLUENT to hold the Meeting as promptly as reasonably practicable after the Interim Order is issued, and in any event no later than June 30, 2026 and subsequently, such outside date for the Meeting has been waived by Vireo and extended to July 31, 2026.

In general, FLUENT is not permitted to adjourn the Meeting without the prior written consent of Vireo, except as required by Law. However, if FLUENT provides Vireo with notice of a Superior Proposal less than seven Business Days prior to the Meeting, FLUENT may, and upon the request of Vireo, FLUENT will, adjourn or postpone the Meeting to a date that is not more than 10 Business Days after the scheduled date of the Meeting, provided however that the Meeting will not be adjourned or postponed to a date later than the fifth Business Day prior to the Outside Date.

Covenants of FLUENT Regarding Conduct of Business

FLUENT has undertaken that until the Effective Time (or, if earlier, the date the Arrangement Agreement is terminated in accordance with its terms), except (i) with Vireo's consent in writing (to the extent such consent is permitted by applicable Law), which consent will not be unreasonably withheld, conditioned or delayed, (ii) as expressly permitted or specifically contemplated by the Arrangement Agreement, (iii) as expressly set out in the Disclosure Letter, (iv) as is otherwise required by applicable Law or Governmental Authority, or (v) actions otherwise reasonably necessary to preserve the liquidity, financial condition or enterprise value of FLUENT and its Subsidiaries, as determined in consultation with Vireo (as confirmed in writing, including by email) and consistent with the Operating Budget:

- (a) (i) the businesses of FLUENT and its Subsidiaries will be conducted, their respective facilities will be maintained, and FLUENT and each of its Subsidiaries will continue to operate their respective businesses only in the ordinary course of business consistent in all respects with past practice (except where past practice does not adhere to the Operating Budget), in accordance with applicable Laws, with the exception of U.S. Federal Laws, (ii) FLUENT and its Subsidiaries will comply with the terms of all FLUENT Material Contracts and FLUENT and each of its subsidiaries will use commercially reasonable efforts to maintain and preserve intact its and their business organizations, assets, properties, rights, Permits, goodwill and business relationships and keep available the services of its officers, employees and consultants of FLUENT and its Subsidiaries as a group, (iii) FLUENT will, and will cause each of its Subsidiaries to, maintain all Cannabis Licenses and other Permits held by FLUENT and its Subsidiaries in good standing, and (iv) FLUENT and its Subsidiaries will manage and operate their respective businesses in accordance, in all material respects, with the Operating Budget, which for greater certainty includes not incurring operating expenses for any line item in the Operating Budget in excess of the cap for such line item as set forth in the Operating Budget (as such cap may be adjusted in accordance with the Operating Budget), subject to compliance with applicable Laws, with the exception of U.S. Federal Laws.
- (b) FLUENT will cooperate and consult through meetings with Vireo, as Vireo may reasonably request, to allow Vireo to review and provide input with respect to the direction of activities of FLUENT and its Subsidiaries;
- (c) without limiting the generality of the foregoing in subsection (a) above, FLUENT will not, and will not permit any of its Subsidiaries to, directly or indirectly:
 - i. alter or amend its articles, by-laws, charter or other constating documents;
 - ii. declare, set aside or pay any dividend on or make any distribution or payment or return of capital in respect of any equity securities of FLUENT or any of its Subsidiaries other than with respect to its obligations under the terms of the Smith Convertible Note;
 - iii. split, divide, consolidate, combine or reclassify the FLUENT Shares or any other securities of FLUENT or its Subsidiaries;
 - iv. other than as specified in the Arrangement Agreement, issue, authorize, sell, grant, award, pledge, dispose of or otherwise encumber or agree to any of the foregoing to any FLUENT Shares or other equity or voting interests or any options, stock appreciation rights, warrants, calls, conversion or exchange privileges or rights of any kind to acquire (whether on exchange, exercise conversion or otherwise) any FLUENT Shares or other equity or voting interests or other securities or any shares of its Subsidiaries (including Options, RSUs or any other equity based awards);
 - v. redeem, purchase or otherwise acquire or subject to any Lien or offer to any of the foregoing to any of its outstanding FLUENT Shares or other securities or securities convertible into or exchangeable or exercisable for FLUENT Shares or any such other securities or any shares or other securities of its Subsidiaries;
 - vi. amend the terms of any securities of FLUENT or its Subsidiaries;
 - vii. adopt a plan of liquidation or pass any resolution providing for the liquidation or dissolution of FLUENT or any of its Subsidiaries;
 - viii. reorganize, amalgamate or merge FLUENT with any other person and will not cause or permit any of its Subsidiaries to reorganize, amalgamate or merge with any other person;

- ix. reduce the stated capital of any class of shares of FLUENT or any of its Subsidiaries;
- x. create any Subsidiary or enter into any Contracts or other arrangements regarding the control or management of the operations of FLUENT or its Subsidiaries, or the appointment of governing bodies or enter into any joint venture or similar agreement, arrangement or relationship;
- xi. make any material change to its general practices and policies relating to the payment of accounts payable or the collection of accounts receivable;
- xii. except as required by applicable Laws or under IFRS, make any material changes to any of its accounting policies, principles, methods, practices or procedures (including by adopting any material new accounting policies, principles, methods, practices or procedures);
- xiii. (i) settle, compromise or agree to the entry of judgment with respect to any action, claim or other Proceeding relating to Taxes, (except as stated otherwise in the Arrangement Agreement), (ii) enter into any tax sharing, tax allocation or tax indemnification agreement, (iii) make a request for a tax ruling to any Governmental Authority, or (iv) agree to any extension or waiver of the limitation period relating to any material Tax claim or assessment or reassessment;
- xiv. sell, pledge, lease, licence, dispose of, mortgage or encumber or otherwise transfer any assets or properties of FLUENT or its Subsidiaries including without limitation with respect to the Leased Properties and including pursuant to any sale-leaseback or similar transaction;
- xv. (A) acquire (by merger, amalgamation, consolidation, arrangement or acquisition of shares or other equity securities or interests or assets or otherwise), directly or indirectly, in one transaction or a series of related transactions, any corporation, partnership, association or other business organization or division thereof or any property or asset, or make any investment by the purchase of securities, contribution of capital, property transfer, or purchase of any property or assets of any other person, or (B) enter into any letter of intent, agreement in principle, acquisition agreement or other similar agreement with respect to such a transaction;
- xvi. incur any capital expenditures, enter into any agreement obligating FLUENT or its Subsidiaries to provide for future capital expenditures;
- xvii. incur any indebtedness (including the making of any payments in respect thereof, including any premiums or penalties thereon or fees in respect thereof) or issue any debt securities, or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other person, or make any loans or advances, other than as permitted in the Arrangement Agreement;
- xviii. make any payments in respect of any indebtedness of FLUENT (including any premiums or penalties thereon or fees in respect thereof) in advance of when such amounts are due, other as permitted in the Arrangement Agreement;
- xix. engage in any new business, enterprise or other activity that is inconsistent with the existing businesses of FLUENT and its Subsidiaries in the manner such existing businesses generally have been carried on or planned or proposed to be carried on prior to the date of the Arrangement Agreement;

- xx. terminate, fail to renew, fail to pursue an application for, apply or re-apply for, cancel, waive, release, grant or transfer any rights of material value or modify or change any existing material Permit or FLUENT Material Contract except as required by its terms;
- xxi. except for any lease of Real Property or otherwise in connection with matters otherwise permitted in the Arrangement Agreement, enter into any Contract that, if entered into prior to the date of the Arrangement Agreement, would be a FLUENT Material Contract, or terminate, cancel, extend, renew or amend, modify or change any FLUENT Material Contract (other than any Contract providing for non-statutory severance or compensatory change of control payments), or waive, release, or assign any material rights or claims thereto or thereunder;
- xxii. enter into any Contract with any "related party" (as such term is defined in MI 61-101);
- xxiii. settle or compromise any Proceeding brought by any present, former or purported holder of its securities in connection with the transactions contemplated by the Arrangement Agreement or the Arrangement;
- xxiv. settle, release, or compromise (or agree to any of the foregoing) any action, claim or other Proceeding brought against it for damages or providing for the grant of injunctive relief or other non-monetary remedy ("**Litigation**") (except where the action, claim or other Proceeding is insured and FLUENT's contribution does not exceed its deductible) other than settlements that result solely in monetary obligations involving payment (without the admission of wrongdoing) by FLUENT or any of its Subsidiaries of an amount not greater than \$250,000 (net of insurance proceeds);
- xxv. make any loan to any officer, director, employee or consultant of FLUENT or its Subsidiaries;
- xxvi. take any action requiring notice to employees, or triggering any other material obligations, under the WARN Act prior to the Effective Time;
- xxvii. waive, release or limit any restrictive covenant of any current or former employee or independent contractor of FLUENT or any of its Subsidiaries;
- xxviii. release any Shareholders from any share transfer restrictions, lock-up or similar trading, transfer or restrictions on encumbrances in respect of the FLUENT Shares;
- xxix. enter into any Contract containing any provision restricting or triggered by the transactions contemplated by the Arrangement Agreement;
- xxx. enter into or renew any Contract that would reasonably be expected to prevent or significantly impede or materially delay the completion of the Arrangement;
- xxxi. take any action that would reasonably be expected to prevent or significantly impede or materially delay the completion of the Arrangement;
- xxxii. amend the Operating Budget; provided that the Parties will, on a timely basis, work collaboratively to modify any line items in the Operating Budget to address certain needs of FLUENT including, among other things, operational needs, cost fluctuations, or timing differences, and such modification to the Operating Budget will be effective upon mutual agreement between the Parties, acting reasonably and in good faith; or

- xxxiii. authorize any of the foregoing, or enter into or modify any Contract to do any of the foregoing.
- (d) FLUENT will immediately notify Vireo orally and then promptly notify Vireo in writing of (i) any “material change” (as defined in the Securities Act) in relation to FLUENT or its Subsidiaries, (ii) any event, circumstance or development that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on FLUENT, (iii) any breach of the Arrangement Agreement by FLUENT, or (iv) any event occurring after the date of the Arrangement Agreement that would render a representation or warranty, if made on that date or the Effective Date, inaccurate such that certain specified conditions in the Arrangement Agreement would not be satisfied;
 - (e) neither FLUENT nor any of its Subsidiaries will, except in the ordinary course of business or pursuant to any existing Contracts or Company Employee Plans in effect as of the date of the Arrangement, and except as is necessary to comply with applicable Laws:
 - i. grant to any officer, director, employee or Contingent Worker of FLUENT or its Subsidiaries an increase in base compensation;
 - ii. grant any salary, wage or fee increase, pay any fee, bonus, award (equity or otherwise) or other compensation to the directors, officers, employees or Contingent Workers of FLUENT or its Subsidiaries other than the payment of salaries, wages, fees, commissions, and bonuses in the ordinary course of business, in accordance with the Operating Budget, and disclosed in the Disclosure Letter;
 - iii. take any action with respect to the grant, acceleration or increase of any severance, change of control, retirement, retention or termination pay or amend any existing arrangement relating to the foregoing, other than as contemplated in the Arrangement Agreement;
 - iv. increase any benefits payable under its current severance or termination pay policies;
 - v. increase the coverage, contributions, funding requirements or benefits available under any Company Employee Plan or create any new plan which would be considered to be a Company Employee Plan once created;
 - vi. make any material determination under any Company Employee Plan that is not in the ordinary course of business, other than as contemplated in the Arrangement Agreement;
 - vii. amend the FLUENT Option Plan or the FLUENT RSU Plan, or adopt or make any contribution to or any award under any new performance share unit plan or other bonus, profit sharing, option, pension, retirement, deferred compensation, insurance, incentive compensation, compensation or other similar plan, agreement, trust, fund or arrangement for the benefit of directors or senior officers or former directors or senior officers of FLUENT or its Subsidiaries;
 - viii. communicate with the employees of FLUENT or any of its Subsidiaries regarding the compensation, benefits or other treatment they will receive following the Effective Time;
 - ix. take any action to accelerate the time of payment of any compensation or benefits, amend or waive any performance or vesting criteria or accelerate vesting under the FLUENT Option Plan or the FLUENT RSU Plan, other than as contemplated in the Arrangement Agreement; or

- x. establish, adopt, enter into, amend or terminate any collective bargaining agreement and/or any agreement with any labour union, workers council, or other labour association or organization;
- (f) FLUENT will cause the current insurance (or re-insurance) policies maintained by FLUENT and its Subsidiaries, including directors' and officers' insurance, not to be cancelled, terminated, amended or modified and to prevent any of the coverage thereunder from lapsing, unless at the time of such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing having comparable deductibles and providing coverage comparable to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect, provided, however, that, except as contemplated in the Arrangement Agreement, FLUENT will not obtain or renew any insurance (or re-insurance) policy for a term exceeding 12 months;
- (g) FLUENT and each of its Subsidiaries will (i) duly and timely file all Returns required to be filed by it on or after the date of the Arrangement Agreement and all such Returns will be true, complete and correct in all material respects and (ii) timely withhold, collect, remit and pay all Taxes which are to be withheld, collected, remitted or paid by it to the extent due and payable except for any Taxes contested in good faith pursuant to applicable Laws and for which adequate reserves and accruals are established in accordance with IFRS;
- (h) neither FLUENT nor any of its Subsidiaries will revoke or amend any Tax election made by FLUENT or any of its Subsidiaries prior to the date of the Arrangement Agreement or amend or refile any Return filed by FLUENT or any of its Subsidiaries prior to the date of the Arrangement Agreement, or enter into any closing agreement or other settlement affecting any material Tax liability of FLUENT or any of its Subsidiaries;
- (i) FLUENT will not, and will not cause or permit any of its Subsidiaries to, take any action which would render, or which reasonably may be expected to render, any representation or warranty made by FLUENT in the Arrangement Agreement untrue or inaccurate in any material respect at any time prior to the Effective Date if then made;
- (j) FLUENT will not incur Transaction Expenses in excess of the cap permitted in the Arrangement Agreement;
- (k) upon written request by Vireo at least 10 Business Days prior to the Effective Time, FLUENT will, subject to the terms of the applicable Company Employee Plan, take reasonable steps to terminate, effective immediately prior to the Effective Time, all or any Company Employee Plan covering employees of FLUENT or any of its Subsidiaries identified by Vireo in its written request, including, without limitation any 401(k) plan sponsored by FLUENT or any of its Subsidiaries; and
- (l) as is applicable, FLUENT will not, and will not cause or permit any of its Subsidiaries to, agree, announce, resolve, authorize or commit to do any of the foregoing.

Covenants of Vireo Regarding Conduct of Business

Vireo has undertaken that until the Effective Time (or, if earlier, the date the Arrangement Agreement is terminated in accordance with its terms), Vireo will notify FLUENT orally and then promptly in writing, which notice will include public disclosure by Vireo, by way of press release or other public filing made with Canadian or U.S. securities regulatory authorities, of (i) any "material change" (as defined in the Securities Act) in relation to Vireo or its Subsidiaries, as applicable, on a consolidated basis, and (ii) any event, circumstance or development that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on Vireo.

Performance Obligations of FLUENT

FLUENT has agreed that, subject to the terms of the Arrangement Agreement, it will, and will cause its Subsidiaries, to the extent applicable, to, perform all obligations required to be performed by FLUENT and

its Subsidiaries under the Arrangement Agreement, cooperate with Vireo in connection therewith and use commercially reasonable efforts to do such other acts and things as may be necessary or desirable in order to complete the Arrangement and the other transactions contemplated by the Arrangement Agreement, including (without limiting the generality of the foregoing):

- (a) using its commercially reasonable efforts to obtain all necessary waivers, consents, agreements, confirmations, amendments and approvals required to be obtained by FLUENT and its Subsidiaries from other parties to any FLUENT Material Contracts in order to (i) complete the Arrangement; (ii) maintain the FLUENT Material Contracts in full force and effect following completion of the Arrangement, in each case, on terms that are reasonably satisfactory to Vireo and provided that FLUENT may not make any payment to obtain any third party consent (including any consent under any FLUENT Material Contract) without the consent of Vireo, acting reasonably;
- (b) using its commercially reasonable efforts to effect all necessary registrations, filings and submissions of information required by Governmental Authorities required to be effected by it in connection with the Arrangement required to be completed prior to the Effective Time;
- (c) reasonably cooperating with Vireo in connection with, and using its commercially reasonable efforts to assist Vireo with the filing with the CSE of all necessary documents and information relating to FLUENT required to be filed with or requested by the CSE in connection with Vireo's obtaining the necessary approvals for the issuance of the Consideration Shares and for the Consideration Shares to be listed on the CSE;
- (d) to ensure all net proceeds received by FLUENT or any of its Subsidiaries in connection with the Texas Transaction will be used in accordance with the terms of the FLUENT Credit Agreement;
- (e) without the prior consent of Vireo, FLUENT will not amend, modify, supplement, restate or terminate the FLUENT Credit Equitization Agreement;
- (f) using its commercially reasonable efforts to carry out all actions necessary to ensure the availability of the exemption from registration under Section 3(a)(10) of the U.S. Securities Act; and
- (g) upon reasonable consultation with Vireo, opposing, or seeking to lift or rescind any injunction, restraining or other order, decree or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the consummation of the Arrangement and defending all lawsuits or other legal, regulatory or other Proceedings against FLUENT challenging or affecting the Arrangement Agreement or the completion of the Arrangement.

Performance of Obligations of Vireo

Vireo has agreed that, subject to the terms of the Arrangement Agreement, it will perform all obligations required to be performed by Vireo under the Arrangement Agreement, cooperate with FLUENT in connection therewith and use commercially reasonable efforts to do such other acts and things as may be necessary or desirable in order to complete the Arrangement and the other transactions contemplated by the Arrangement Agreement, including (without limiting the generality of the foregoing):

- (a) cooperating with FLUENT in connection with, and using its commercially reasonable efforts to assist FLUENT in obtaining the waivers, consents and approvals referred to in the Arrangement Agreement, provided, however, that, except as stated otherwise in the Arrangement Agreement, in connection with obtaining any waiver, consent or approval from any person (other than a Governmental Authority) with respect to any transaction contemplated by the Arrangement Agreement, Vireo will not be required to pay or commit to pay to such person whose waiver, consent or approval is being solicited any cash or other consideration, make any commitment or incur any liability or other obligation;
- (b) using its commercially reasonable efforts to effect all necessary registrations, filings and submissions of information required by Governmental Authorities required to be effected by it in connection with the Arrangement required to be completed prior to the Effective Time;

- (c) reasonably cooperating with FLUENT in connection with, and using its commercially reasonable efforts to assist FLUENT with the filing with the CSE of all necessary documents and information relating to Vireo required to be filed with or requested by the CSE in connection with the transactions contemplated in the Arrangement Agreement and the Plan of Arrangement;
- (d) upon reasonable consultation with FLUENT, opposing, or seeking to lift or rescind any injunction, restraining or other order, decree or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the consummation of the Arrangement and defending all lawsuits or other legal, regulatory or other Proceedings against or relating to Vireo challenging or affecting the Arrangement Agreement or the completion of the Arrangement;
- (e) on or before the Effective Date, to the extent necessary, reserving a sufficient number of Consideration Shares to be issued upon completion of the Arrangement; and
- (f) filing or causing to be filed with the CSE all necessary documents and taking or causing to be taken all necessary steps to ensure that Vireo has obtained all necessary approvals for the issuance of the Consideration Shares and for the Consideration Shares to be listed on the CSE.

Mutual Covenants

Each of FLUENT and Vireo covenants and agrees that, subject to the terms and conditions of the Arrangement Agreement, until the earlier of the Effective Time and the time that the Arrangement Agreement is terminated in accordance with its terms:

- (a) it will use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations as set forth in the Arrangement Agreement and take all steps set forth in the Interim Order and Final Order applicable to it to the extent the same is within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary and commercially reasonable to permit the completion of the Arrangement in accordance with its obligations under the Arrangement Agreement, the Plan of Arrangement and applicable Laws and cooperate with the other Party in connection therewith;
- (b) it will use commercially reasonable efforts not to take or cause to be taken any action, or refrain from taking any commercially reasonable action, which is inconsistent with the Arrangement Agreement or which would reasonably be expected to prevent or significantly impede or materially delay the completion of the Arrangement or which would render, or may reasonably be expected to render, any representation or warranty made by such Party in the Arrangement Agreement untrue in any material respect;
- (c) it will promptly notify the other Party of:
 - i. any communication from any person alleging that the consent of such person (or another person) is or may be required in connection with the Arrangement (and the response thereto from such Party, its Subsidiaries or its Representatives);
 - ii. any material communication from any Governmental Authority in connection with the Arrangement (and the response thereto from such Party, its Subsidiaries or its Representatives); and
 - iii. any litigation threatened or commenced against or otherwise affecting such Party or any of its Subsidiaries that is related to the Arrangement; and
- (d) it will use commercially reasonable efforts to execute and do all acts, further deeds, things and assurances as may be required in the reasonable opinion of the other Party's legal counsel to permit the completion of the Arrangement.

Regulatory Approvals

With respect to obtaining all Regulatory Approvals required for the completion of the Arrangement, each of FLUENT and Vireo has covenanted and agreed that, among other things, until the earlier of the Effective Time and the time that the Arrangement Agreement is terminated in accordance with its terms, it will:

- (a) make all notifications, filings, applications and submissions with Governmental Authorities required or advisable, and will use commercially reasonable efforts to obtain the U.S. Regulatory Approvals and such other required Regulatory Approvals reasonably deemed by any of the Parties, acting reasonably, to be necessary to discharge their respective obligations under the Arrangement Agreement, including coordinating and cooperating with one another in exchanging and providing information to the other Party as necessary to obtain all required Regulatory Approvals;
- (b) request or cause to be requested that the Regulatory Approvals be processed by the applicable Governmental Authority on an expedited basis to the extent possible and, to the extent that a public hearing is held, the Parties will request the earliest possible hearing date for the consideration of the Regulatory Approvals;
- (c) not extend or consent to any extension or refuse to consent to any extension of any applicable waiting or review period or enter into any agreement with a Governmental Authority not to consummate the transactions contemplated by the Arrangement Agreement, except upon the prior written consent of the other Party (such consent not to be unreasonably withheld, conditioned or delayed);
- (d) use commercially reasonable efforts to respond promptly to any request or notice from any Governmental Authority in respect of obtaining or concluding the Regulatory Approvals sought by either Party including coordinating and cooperating with each other and furnishing to the other Party such information and assistance as a Party may reasonably request in connection with preparing any submission or responding to such request or notice from a Governmental Authority, permit the other Party an opportunity to review in advance any proposed substantive applications, notices, filings, submissions, undertakings correspondence and communications in respect of obtaining or concluding all required Regulatory Approvals and provide the other Party with a reasonable opportunity to comment thereon and agree to consider those comments in good faith, and keep the other Party and their respective counsel reasonably informed on a timely basis of the status of discussions (written and oral) relating to obtaining or concluding the required Regulatory Approvals;
- (e) be responsible for and will pay or cause to be paid by the applicable Subsidiary any and all filing fees and applicable Taxes payable to a Governmental Authority by such Party or its Subsidiaries in connection with any application, notification or filing in respect of any of the Regulatory Approvals to be obtained by such Party or any one of its Subsidiaries;
- (f) promptly notify the other Party if it becomes aware that any (i) application, filing, document or other submission for any Regulatory Approval contains a misrepresentation, or (ii) any Regulatory Approval contains, reflects or was obtained following the submission of any application, filing, document or other submission containing a misrepresentation, such that an amendment or supplement may be necessary or advisable; and
- (g) promptly notify the other Party if it becomes aware that a Regulatory Approval will not be granted.

The Parties have agreed that Vireo will not be required to divest or offer to divest any of its assets or properties or to agree to any behavioural remedy, undertaking, commitment, or restriction on the operations of Vireo in order to secure any Regulatory Approval.

Employment and Board Matters

FLUENT has agreed that, prior to the Effective Time, it will use its best efforts to cause, and cause its Subsidiaries to cause, all directors of FLUENT to provide resignations and releases of all claims against

FLUENT and its Subsidiaries, as applicable, effective as at the Effective Time, in a form satisfactory to Vireo.

Vireo has agreed that it will cause FLUENT, its Subsidiaries and any successors of FLUENT to honour and comply with the terms of all severance payment obligations of FLUENT or its Subsidiaries under the existing employment, consulting, change of control and severance agreements of FLUENT and its Subsidiaries.

Insurance and Indemnification

Pursuant to the Arrangement Agreement, prior to the Effective Time, FLUENT may purchase prepaid non-cancellable “tail” directors’ and officers’ liability insurance providing coverage for a period of six years from the Effective Date with respect to claims arising from or related to facts or events which occur on or prior to the Effective Date; provided however that the cost of such policies must not exceed 300% of the last annual premium paid by FLUENT and its Subsidiaries prior to the date of the Arrangement Agreement in respect of such “tail” policy.

FLUENT and Vireo agree that all rights to indemnification existing in favour of the present and former directors and officers of FLUENT and each of its Subsidiaries (each such present or former director or officer of FLUENT and its Subsidiaries being herein referred to as an “**Indemnified Party**” and such persons collectively being referred to as the “**Indemnified Parties**”) as provided by the articles or by-laws of FLUENT, the articles, by-laws or other constating documents of its Subsidiaries or by contracts or agreements to which FLUENT or any of its Subsidiaries are a party and in effect as of the date of the Arrangement Agreement, and, as of the Effective Time, will survive and will continue in full force and effect and without modification, and FLUENT, each of its Subsidiaries and any successor to FLUENT (including any corporation or other entity continuing following the amalgamation, merger, consolidation or winding up of FLUENT with or into one or more other entities (pursuant to a statutory procedure or otherwise)) will continue to honour such rights of indemnification and indemnify the Indemnified Parties pursuant thereto, with respect to actions or omissions of the Indemnified Parties occurring prior to the Effective Time, for six years following the Effective Date.

FLUENT Credit Equitization

Subject to certain limitations as set forth in the Arrangement Agreement, FLUENT has agreed that immediately prior to the Effective Time, it will cause the equitization of an aggregate of \$30 million of outstanding indebtedness under the FLUENT Credit Agreement in accordance with the terms of the FLUENT Credit Equitization Agreement (the “**FLUENT Credit Equitization**”), and will, subject to the terms of the FLUENT Credit Equitization Agreement, issue 1,701,261,364 Common Shares to the applicable Lenders of the FLUENT Credit Agreement in satisfaction thereof. Each Common Share issued pursuant to the FLUENT Credit Equitization Agreement will thereafter be treated as a Common Share for all purposes under the Plan of Arrangement, including the exchange thereof for Consideration Shares. Notwithstanding the foregoing, certain restrictions apply to the Consideration Shares issued in exchange for FLUENT Shares issued to certain Lenders pursuant to the FLUENT Credit Equitization. See the heading “*Resales by Certain Lenders under the Credit Equitization Agreement*” for further information.

Other Covenants and Agreements

The Arrangement Agreement contains certain other covenants and agreements, including covenants relating to:

- (a) cooperation between FLUENT and Vireo in connection with public communications;
- (b) cooperation between FLUENT and Vireo in the preparation and filing of this Circular;
- (c) Vireo and FLUENT will use their commercially reasonable efforts to cooperate with the other Party in taking, or causing to be taken, all actions necessary to cause (i) the Common Shares to be delisted from the CSE and the OTCQB Venture Market with effect immediately following the acquisition by Vireo of the FLUENT Shares pursuant to the Arrangement, and (ii) FLUENT to cease to be a reporting issuer under applicable Securities Laws as promptly as practicable following the Effective Date;

- (d) FLUENT providing Vireo with notice of receipt of any communication from any person in opposition to the Arrangement, and/or in relation to the purported exercise by any Shareholder of Dissent Rights, and provide Vireo with an opportunity to review and comment upon any written communications sent by or on behalf of FLUENT to any such person and to participate in any discussions, negotiations or proceedings involving any such person (other than any ad hoc and unscheduled discussions initiated by any such Person where it is impracticable to include Vireo);
- (e) the delivery in escrow by Vireo of a treasury direction irrevocably instructing Vireo's transfer agent to issue a sufficient number of Vireo Shares to satisfy the aggregate Consideration payable as provided in the Plan of Arrangement;
- (f) the use of commercially reasonable best efforts by both FLUENT and Vireo to ensure that the Consideration Shares issued and exchanged pursuant to the Arrangement will be issued and exchanged in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof and pursuant to similar exemptions from, or in transactions not subject to, applicable U.S. state securities Laws; and
- (g) access by each Party to certain information about the other Party during the period prior to the Effective Time and the Parties' agreement to keep information exchanged confidential.

Acquisition Proposals and Non-Solicitation Covenants

Except as expressly contemplated in the Arrangement Agreement or to the extent that Vireo has otherwise consented to in writing, until the earlier of the Effective Time or the date, if any, on which the Arrangement Agreement is terminated pursuant to the terms thereof, FLUENT has agreed not to and has agreed to cause its Subsidiaries not to, directly or indirectly through any other person:

- (i) make, initiate, solicit, promote, entertain or knowingly encourage (including by way of furnishing or affording access to information, properties, facilities, books or records of FLUENT or any subsidiary or any site visit or entering into any form of agreement, arrangement or understanding (other than an Acceptable Confidentiality Agreement)), or take any other action that facilitates, directly or indirectly, any inquiry or the making of any inquiry, proposal or offer with respect to an Acquisition Proposal or that would be expected to constitute or lead to an Acquisition Proposal; or
- (ii) participate in any discussions or negotiations with, furnish information to, or otherwise cooperate in any way with, any person (other than Vireo and its affiliates) regarding an Acquisition Proposal or any inquiry, proposal or offer that would be expected to constitute or lead to an Acquisition Proposal; provided that FLUENT may, for a period of seven Business Days following receipt of such Acquisition Proposal, (i) advise any person of the restrictions of this Agreement, (ii) provide a written response (with a copy to Vireo) to the person for the purposes of seeking clarification of the terms of such Acquisition Proposal, and (iii) advise any person making an Acquisition Proposal that the Board has determined that such Acquisition Proposal does not constitute or could not reasonably be expected to constitute a Superior Proposal, in each case, if, in so doing, no other information that is prohibited from being communicated under this Agreement is communicated to such person; or
- (iii) make or propose publicly to make a FLUENT Change of Recommendation; or
- (iv) accept, recommend, enter into, or propose publicly to accept, recommend or enter into, any agreement, understanding or arrangement in respect of an Acquisition Proposal (other than an Acceptable Confidentiality Agreement); unless such Acquisition Proposal constitutes, or could reasonably be expected to constitute a Superior Proposal in accordance with the Arrangement Agreement; or
- (v) make any public announcement or take any other action inconsistent with, or that would be likely to be regarded as detracting from, the approval, recommendation or declaration of advisability of the Board of the transactions contemplated hereby.

FLUENT has agreed to, and to cause, its Subsidiaries and their respective Representatives to immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion, negotiation or other activities with any person (other than Vireo, its subsidiaries and their respective Representatives) conducted prior to the date of the Arrangement Agreement by FLUENT or any of its Representatives or its subsidiaries and their Representatives with respect to any Acquisition Proposal or any inquiry, proposal or offer that would reasonably be expected to constitute or lead to an Acquisition Proposal and, in connection therewith, FLUENT will (i) immediately discontinue access to and disclosure of any of its confidential information, and (ii) as soon as possible, and in any event within two Business Days after the date of the Arrangement Agreement, request, and use its commercially reasonable efforts to exercise all rights it has (or cause its subsidiaries to exercise any rights that they have) to require the return or destruction of all confidential information previously provided in connection therewith.

Notwithstanding anything to the contrary contained in the Arrangement Agreement, in the event that FLUENT receives a *bona fide* written Acquisition Proposal from any person after the date of the Arrangement Agreement and prior to the Meeting that was not solicited by FLUENT, and subject to FLUENT's compliance with the Arrangement Agreement, FLUENT and its Representatives may (i) furnish information with respect to it to such person pursuant to an Acceptable Confidentiality Agreement, and (ii) participate in any discussions or negotiations regarding such Acquisition Proposal; provided, however, that, prior to taking any action described in clauses (i) or (ii) above: (A) the Board first determines in good faith, after consultation with its financial advisors and outside legal counsel, that such Acquisition Proposal would, if consummated in accordance with its terms, constitute a Superior Proposal; (B) such person was not restricted from making such Acquisition Proposal pursuant to an existing confidentiality, standstill, non-disclosure, use, business purpose or similar agreement or restriction with FLUENT or its Subsidiaries; and (C) the Acquisition Proposal did not arise as a result of a violation, in any respect, by FLUENT of the Arrangement Agreement.

FLUENT has also agreed to promptly notify Vireo, at first orally and then within 24 hours in writing, of any Acquisition Proposal (whether or not in writing) received by FLUENT, any inquiry received by FLUENT that would be expected to constitute an Acquisition Proposal, or any request received by FLUENT for non-public information relating to FLUENT in connection with an Acquisition Proposal or for access to the properties, books or records of FLUENT by any person that informs FLUENT that it is considering making an Acquisition Proposal, or any material change, material modification or other material amendment to any Acquisition Proposal previously received by FLUENT, including a copy of any written Acquisition Proposal or written amendment thereto, a description of the material terms and conditions of such inquiry or request or amendment and the identity of the person making such Acquisition Proposal, inquiry or request or amendment, and promptly provide to Vireo such other information concerning such Acquisition Proposal, inquiry or request or amendment as Vireo may reasonably request, including all material or substantive correspondence relating to such Acquisition Proposal. FLUENT will keep Vireo promptly and fully informed of the status, developments and details of any such Acquisition Proposal, inquiry or request and shall provide to Vireo copies of all material correspondence and documents if in writing or electronic form, and if not in writing or electronic form, a description of the material terms of such correspondence communicated to FLUENT by or on behalf of any person making such Acquisition Proposal or request.

Except as expressly permitted by the Arrangement Agreement, neither the Board, nor any committee thereof will: (i) make a FLUENT Change of Recommendation; (ii) accept, approve, endorse or recommend or publicly propose to accept, approve, endorse or recommend any Acquisition Proposal; (iii) permit FLUENT to accept or enter into, or publicly propose to enter into (or permit any such actions in the case of the Board or any committee thereof), any letter of intent, memorandum of understanding or other Contract, agreement in principle, acquisition agreement, merger agreement or similar agreement or understanding (an "**Acquisition Agreement**") with respect to any Acquisition Proposal; or (iv) permit FLUENT to accept or enter into any Contract requiring FLUENT to abandon, terminate or fail to consummate the Arrangement or providing for the payment of any break, termination or other fees or expenses to any person proposing an Acquisition Proposal in the event that FLUENT completes the transactions contemplated hereby or any other transaction with Vireo or any of its affiliates.

Notwithstanding anything to the contrary contained in the Arrangement Agreement, in the event FLUENT receives a *bona fide* Acquisition Proposal that the Board has determined is a Superior Proposal from any person after the date of the Arrangement Agreement and prior to the Meeting, then the Board may, prior to the Meeting, make a FLUENT Change of Recommendation and/or enter into an Acquisition Agreement with respect to such Superior Proposal, but only if:

- (i) the Person making the Superior Proposal was not restricted from making such Superior Proposal pursuant to an existing confidentiality, standstill, non-disclosure or similar agreement or restriction;
- (ii) FLUENT has given written notice to Vireo that it has received a Superior Proposal and that the Board has determined that (x) such Acquisition Proposal constitutes a Superior Proposal and (y) the Board intends to make a FLUENT Change of Recommendation and/or enter into an Acquisition Agreement with respect to such Superior Proposal, in each case promptly following the making of such determination, together with a summary of the material terms of any proposed Acquisition Agreement or other agreement relating to such Superior Proposal, including a notice as to the value in financial terms that the Board has, in consultation with its financial advisors, determined should be ascribed to any non-cash consideration offered under the Superior Proposal (together with a copy of such agreement and any ancillary agreements and supporting materials) to be executed with the person making such Superior Proposal;
- (iii) a period of five full Business Days (such period being the “**Superior Proposal Notice Period**”) has elapsed from the date Vireo received the notice as required under the Arrangement Agreement and described above;
- (iv) during any Superior Proposal Notice Period, Vireo has had the opportunity (but not the obligation), in accordance with the terms of the Arrangement Agreement, to offer to amend the Arrangement Agreement and the Arrangement in order for such Acquisition Proposal to cease to be a Superior Proposal;
- (v) if Vireo has proposed to amend the terms of the Arrangement in accordance with the terms of the Arrangement Agreement, the Board will have determined in good faith, after consultation with its financial advisors and outside legal counsel, that the Acquisition Proposal remains a Superior Proposal compared to the Arrangement as proposed to be amended by Vireo;
- (vi) the Board has determined, in good faith, after consultation with FLUENT's outside legal counsel that the failure to take the relevant action would be inconsistent with its fiduciary duties; and
- (vii) FLUENT concurrently terminates the Arrangement Agreement pursuant to the terms of the Arrangement Agreement and pays the Termination Fee.

During the Superior Proposal Notice Period or such longer period as FLUENT may approve for such purpose, in its sole discretion, Vireo will have the right, but not the obligation, to propose to amend the terms of the Arrangement Agreement and the Arrangement. The Board will review in good faith any offer made by Vireo to amend the terms of the Arrangement Agreement and the Arrangement in order to determine, in consultation with its financial advisors and outside legal counsel, whether the proposed amendments would, upon acceptance, result in the Acquisition Proposal that previously constituted a Superior Proposal ceasing to be a Superior Proposal. If the Board determines that such proposal would cease to be a Superior Proposal as a result of the amendments proposed by Vireo, FLUENT will forthwith so advise Vireo and will promptly thereafter accept the offer by Vireo to amend the terms of this Agreement and the Arrangement and the Parties agree to take such actions and execute such documents as are necessary to give effect to the foregoing. If the Board continues to believe in good faith, after consultation

with its financial advisors and outside legal counsel, that such proposal remains a Superior Proposal and therefore rejects Vireo's offer to amend the Arrangement Agreement and the Arrangement, if any, FLUENT may, subject to compliance with the other provisions of the Arrangement Agreement, make a FLUENT Change of Recommendation and/or enter into an Acquisition Agreement with respect to such Superior Proposal.

Each successive modification of any Acquisition Proposal will constitute a new proposal for the purposes of the Arrangement Agreement and will require a new five full Business Day Superior Proposal Notice Period from the date with respect to such new Acquisition Proposal. In circumstances where FLUENT provides Vireo with notice of a proposal and all documentation contemplated by the Arrangement Agreement on a date that is less than seven Business Days prior to the Meeting, FLUENT may, and upon the request of Vireo, FLUENT will, adjourn or postpone the Meeting to, either proceed with or postpone the Meeting in accordance with the terms of the Arrangement Agreement to a date that is not more than 10 Business Days after the scheduled date of the Meeting, as directed by Vireo, provided, however, that the Meeting will not be adjourned or postponed to a date later than the fifth Business Day prior to the Outside Date.

The Board will reaffirm its recommendation in favour of the Arrangement by news release promptly after (i) the Board has determined that any Acquisition Proposal is not a Superior Proposal if the Acquisition Proposal has been publicly announced or made; or (ii) the Board makes the determination that an Acquisition Proposal that has been publicly announced or made and which previously constituted a Superior Proposal has ceased to be a Superior Proposal and the Parties have so amended the terms of the Arrangement Agreement and the Arrangement.

FLUENT has agreed (i) not to release any persons from, or terminate, modify, amend or waive the terms of, any confidentiality agreement or standstill agreement or standstill provisions in any such confidentiality agreement that FLUENT entered into prior to the date of the Arrangement Agreement, and (ii) to promptly and diligently enforce all standstill, non-disclosure and similar covenants that it has entered into prior to the date of the Arrangement Agreement or enter into after the date of the Arrangement Agreement.

Conditions to the Arrangement Becoming Effective

Mutual Conditions

The respective obligations of FLUENT and Vireo to complete the Arrangement are subject to the satisfaction of the following conditions on or before the Effective Date, each of which are for the mutual benefit of the Parties and which may be waived, in whole or in part, by the mutual consent of FLUENT and Vireo:

- (a) the Arrangement Resolution has been approved by the Voting Shareholders at the Meeting in accordance with the Interim Order and applicable Laws;
- (b) the Interim Order and the Final Order have each been obtained on terms consistent with the Arrangement Agreement and have not been set aside or modified in a manner unacceptable to either FLUENT or Vireo, each acting reasonably, on appeal or otherwise;
- (c) Vireo has made the required filings with the CSE to list the Consideration Shares thereon, other than customary post-closing filings required to be submitted within the applicable timeframe pursuant to the rules of the CSE;
- (d) the U.S. Regulatory Approvals have been obtained and are in full force and effect and not modified or rescinded;
- (e) no Law will have been enacted, issued, promulgated, enforced, made, entered or applied and no Proceeding will otherwise have been taken under any Laws or by any Governmental Authority (whether temporary, preliminary or permanent) that makes the Arrangement illegal or otherwise directly or indirectly cease trades, enjoins, restrains or otherwise prohibits completion of the Arrangement;

- (f) except as permitted under the Arrangement Agreement, the Consideration Shares to be issued and exchanged pursuant to the Arrangement are exempt from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) thereof, and pursuant to similar exemptions under applicable U.S. state securities Laws; and
- (g) the distribution of the Vireo Shares pursuant to the Arrangement will be exempt from the prospectus requirements of applicable Securities Laws in Canada either by virtue of exemptive relief from the securities regulatory authorities of each of the provinces of Canada or by virtue of exemptions under applicable Securities Laws and will not be subject to resale restrictions in Canada under applicable Securities Laws.

Conditions Precedent to the Obligations of FLUENT

The obligation of FLUENT to complete the Arrangement is subject to the satisfaction of the following additional conditions on or before the Effective Date, each of which is for the exclusive benefit of FLUENT and which may be waived by FLUENT at any time, in whole or in part, in its sole discretion:

- (a) Vireo has complied in all material respects with its obligations, covenants and agreements contained in the Arrangement Agreement to be performed and complied with by it on or prior to the Effective Time;
- (b) the representations and warranties of Vireo in the Arrangement Agreement are true and correct, as and to the extent specified in the Arrangement Agreement;
- (c) Vireo has deposited in escrow with the Depositary sufficient Vireo Shares to satisfy the aggregate Consideration payable pursuant to the Arrangement;
- (d) since the date of the Arrangement Agreement, there has not occurred a Material Adverse Effect in respect of Vireo that is continuing; and
- (e) FLUENT has received a certificate of Vireo signed by a senior officer of Vireo certifying that the conditions set forth in (a), (b), and (d) above have been satisfied.

Conditions Precedent to the Obligations of Vireo

The obligation of Vireo to complete the Arrangement is subject to the satisfaction of the following additional conditions on or before the Effective Date, each of which is for the exclusive benefit of Vireo and which may be waived by Vireo at any time, in whole or in part, in its sole discretion and without prejudice to any other rights that Vireo may have:

- (a) FLUENT has complied in all material respects with its obligations, covenants and agreements contained in the Arrangement Agreement to be performed and complied with by it on or prior to the Effective Time (other than the covenant relating to the Transaction Expenses, compliance with which will be in all respects);
- (b) the representations and warranties of FLUENT in the Arrangement Agreement are true and correct, as and to the extent specified in the Arrangement Agreement;
- (c) there is no pending or threatened Proceeding by any Governmental Authority or any other person that is reasonably likely to result in any: (i) prohibition or restriction on the acquisition by Vireo of any FLUENT Shares or the completion of the Arrangement or any person obtaining from any of the Parties any material damages directly in connection with the Arrangement; (ii) prohibition or material limit on the ownership by Vireo of FLUENT or any of its Subsidiaries or any material portion of their respective businesses, including to compel Vireo or its Subsidiaries to dispose of or hold separate any material portion of the business or assets of Vireo and its Subsidiaries, FLUENT or any of its Subsidiaries as a result of the Arrangement (or to materially restrain, enjoin or prohibit any License Transfer); or (iii) imposition of limitations on the ability of Vireo to acquire or hold, or exercise full rights of ownership of, any FLUENT Shares, including the right to vote such FLUENT Shares;

- (d) Dissent Rights have not been exercised with respect to more than 6% of the issued and outstanding FLUENT Shares;
- (e) since the date of the Arrangement Agreement, there has not occurred a Material Adverse Effect in respect of FLUENT;
- (f) Vireo has received a certificate executed by a senior officer of FLUENT and dated the Effective Date certifying that the conditions set forth in (a), (b), and (e) above have been satisfied;
- (g) the FLUENT Credit Equitization has been completed in accordance with the terms of the FLUENT Credit Equitization Agreement, and the Common Shares issuable in connection therewith have been duly issued to the senior lenders party to the FLUENT Credit Agreement;
- (h) FLUENT has obtained a written waiver from SPC, in form and substance satisfactory to Vireo, acting reasonably, pursuant to the terms of the Arrangement Agreement;
- (i) FLUENT has executed a letter of intent with a bona fide arm's length purchaser in connection with the Texas Transaction, on terms acceptable to Vireo.
- (j) (1) each of the parties to the Smith Investor Rights Agreement and the Hawthorne Investor Rights Agreement, as applicable, have entered into a Support Agreement, which among other things, terminates the Smith Investor Rights Agreement and the Hawthorne Investor Rights Agreement, as applicable, effective as of or prior to the Effective Time and (2) neither such Support Agreement has been amended or modified in any respect (unless such amendment or modification was approved in writing by Vireo);
- (k) FLUENT and the other parties to the FLUENT Credit Agreement have entered into the Third Amendment (as defined in the FLUENT Credit Equitization Agreement) on terms which are satisfactory to Vireo, having negotiated in good faith; provided that, notwithstanding anything to the contrary herein, Vireo shall not have the right to terminate the Arrangement Agreement if the failure to enter into the Third Amendment results from the applicable lenders to the FLUENT Credit Agreement rejecting Vireo's request that the economic terms of the FLUENT Credit Agreement be amended in a manner that is materially more favourable to FLUENT or Vireo than those set forth in the FLUENT Credit Agreement as at the date of the Arrangement Agreement;
- (l) all applicable Governmental Authorities in the State of Florida (including any State Cannabis Authority) have provided approval, confirmation or other assurance, in form and substance satisfactory to Vireo, acting reasonably, regarding Vireo's direct or indirect ownership with respect to the inventory, cannabis products and other physical assets of FLUENT or its Subsidiaries held as of the Effective Time (including, if applicable through the approval of any change of corporate ownership of FLUENT or its Subsidiaries and any merger, consolidation or combination of Cannabis Licenses resulting therefrom);
- (m) Vireo has received certified copies of resolutions duly passed by the Board approving the Arrangement Agreement and the completion of the transactions contemplated by the Arrangement Agreement; and
- (n) all waivers, consents, Permits, approvals, releases, licences or authorizations under or pursuant to any Material Contract which Vireo has determined are necessary in connection with the completion of the Arrangement, will have been obtained on terms which are satisfactory to Vireo, acting reasonably.

Termination

The Arrangement Agreement may be terminated prior to the Effective Time in certain circumstances, including:

- (a) by mutual written agreement of the Parties.

(b) by either FLUENT or Vireo prior to the Effective Time, if:

- (i) the Meeting is held and the Arrangement Resolution is not approved by the Voting Shareholders in accordance with applicable Laws and the Interim Order; except that this right of termination is not available to any Party whose failure to fulfil any of its obligations or breach of any of its representations and warranties under the Arrangement Agreement has been a principal cause of, or resulted in, the failure to receive approval of the Arrangement Resolution by the Voting Shareholders;
- (ii) after the date of the Arrangement Agreement, any Law is enacted, made, enforced or amended, as applicable, that remains in effect and that makes the consummation of the Arrangement or the transactions contemplated by the Arrangement Agreement illegal or otherwise prohibited, and such Law has become final and non-appealable, provided that the enactment, making, enforcement or amendment of such Law was not primarily due to the failure of such Party to perform any of its covenants or agreements under the Arrangement Agreement; or
- (iii) the Effective Time does not occur on or prior to the Outside Date; except that this right to termination is not available to any Party whose failure to fulfil any of its obligations or breach any of its representations and warranties under the Arrangement Agreement has been a principal cause of, or resulted in, the failure of the Effective Time to occur by the Outside Date;

(c) by Vireo, at any time prior to the Effective Time if:

- (i) either (A) the Board or the Special Committee fails to publicly make a recommendation that the Voting Shareholders vote in favour of the Arrangement Resolution as contemplated in the Arrangement Agreement or FLUENT, the Board, or the Special Committee, withdraws, modifies, qualifies or changes in a manner that is adverse to Vireo, the FLUENT Board Recommendation (it being understood that publicly taking no position or a neutral position with respect to an Acquisition Proposal for a period exceeding five Business Days after an Acquisition Proposal has been publicly announced will be deemed to constitute such a withdrawal, modification, qualification or change), (B) Vireo requests that the Board or Special Committee reaffirm its recommendation (without qualification) that the Voting Shareholders vote in favour of the Arrangement Resolution and the Board or Special Committee, as applicable, will not have done so by the earlier of (x) the fifth Business Day following receipt of such request and (y) the Meeting, (C) FLUENT, the Board, and/or the Special Committee, accepts, approves, endorses or recommends any Acquisition Proposal or proposes publicly to accept, approve, endorse or recommend any Acquisition Proposal, (D) FLUENT, the Board or the Special Committee enters into (other than an Acceptable Confidentiality Agreement) or publicly proposes to enter into, any agreement, letter of intent or Contract in respect of an Acquisition Proposal (each of the foregoing a **"FLUENT Change of Recommendation"**);
- (ii) FLUENT breaches any of its obligations pursuant to the non-solicitation provisions of the Arrangement Agreement in any material respect;
- (iii) subject to the terms of the Arrangement Agreement, FLUENT breaches or fails to perform any of its representations, warranties, covenants or agreements, contained in the Arrangement Agreement, which breach or failure would cause any of the conditions set forth in the Arrangement Agreement not to be satisfied and such breach is incapable of being cured or is not cured in accordance with the terms of the Arrangement Agreement, provided that, any willful breach will be deemed incapable of being cured and provided further that, Vireo is not then in breach of the Arrangement Agreement such that it would cause any of the conditions precedent to the obligations of FLUENT not to be satisfied; or

- (iv) a Material Adverse Effect in respect of FLUENT has occurred after the date of the Arrangement Agreement and is continuing, which is incapable of being cured on or prior to the Outside Date.
- (d) by FLUENT, at any time prior to the Effective Time, subject to compliance with the Notice and Cure provisions of the Arrangement Agreement, if:
 - (i) prior to approval of the Arrangement Resolution at the Meeting, the Board makes a FLUENT Change of Recommendation or FLUENT enters into a written agreement (other than an Acceptable Confidentiality Agreement) with respect to a Superior Proposal in accordance with the terms of the Arrangement Agreement, and that prior to, or concurrent with such termination FLUENT pays the Termination Fee in accordance with the Arrangement Agreement;
 - (ii) subject to the terms of the Arrangement Agreement, Vireo breaches any of its representations, warranties, covenants or agreements contained in the Arrangement Agreement, which breach would cause any of the conditions set forth in the Arrangement Agreement not to be satisfied and such breach is incapable of being cured or is not cured in accordance with the terms of the Arrangement Agreement, provided that, any willful breach will be deemed incapable of being cured and FLUENT is not then in breach of the Arrangement Agreement such that it would cause any of the conditions precedent to the obligations of Vireo not to be satisfied; or
 - (iii) a Material Adverse Effect in respect of Vireo has occurred after the date of the Arrangement Agreement and is continuing, which is incapable of being cured on or prior to the Outside Date.

Vireo is entitled to be paid the Termination Fee upon the occurrence of any of the following events (each, a **“Termination Fee Event”**):

- (a) the Arrangement Agreement is terminated by either Party if the Shareholder Approval is not obtained or the Effective Time has not occurred on or before the Outside Date, or by Vireo if FLUENT is in breach of its representations, warranties, or covenants under the Arrangement Agreement, but only, in each case, if both (i) prior to such termination, an Acquisition Proposal has been made public or proposed publicly after the date of the Arrangement Agreement and prior to the Meeting and such Acquisition Proposal is not withdrawn; and (ii) within one year following such termination of the Arrangement Agreement, (A) any Acquisition Proposal is consummated or effected by FLUENT, or (B) FLUENT enters into a definitive agreement in respect of any Acquisition Proposal and such Acquisition Proposal is later consummated (whether or not within such one year period); provided, however, that for the purposes of this paragraph, all references to “20%” in the definition of Acquisition Proposal will be deemed to be references to “50%”;
- (b) the Arrangement Agreement is terminated by Vireo, if: (i) the Board has effected a FLUENT Change of Recommendation; or (ii) FLUENT has materially breached any of its obligations pursuant to the non-solicitation provisions of the Arrangement Agreement;
- (c) the Arrangement Agreement is terminated by either FLUENT or Vireo due to a failure to obtain the approval of the Arrangement Resolution subject to the conditions set out in the Arrangement Agreement, if at the time of such termination, Vireo was entitled to terminate the Arrangement Agreement as a result of a FLUENT Change of Recommendation; and
- (d) the Arrangement is terminated by FLUENT if at any time prior to the approval of the Arrangement Resolution, the Board approves and authorizes FLUENT to enter into an Acquisition Agreement (other than a confidentiality and standstill agreement as expressly permitted under the Arrangement Agreement) with respect to a Superior Proposal in accordance with the terms of the Arrangement Agreement.

If a Termination Fee Event occurs, FLUENT shall pay to Vireo a termination fee of \$2,000,000 (the “**Termination Fee**”) by wire transfer in immediately available funds to an account specified by Vireo as specified in the Arrangement Agreement.

Amendments

Subject to the terms of the Interim Order, the Final Order, the Plan of Arrangement and applicable Law, the Arrangement Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Meeting but not later than the Effective Time, be amended by written agreement of the Parties, without, subject to applicable Laws, further notice to or authorization on the part of the Shareholders, and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of the Parties;
- (b) waive any inaccuracies or modify any representation, term or provision contained in the Arrangement Agreement or in any document delivered pursuant to the Arrangement Agreement; or
- (c) waive compliance with or modify any of the conditions precedent referred to in the Arrangement Agreement or any of the covenants contained in the Arrangement Agreement or waive or modify performance of any obligations of the Parties,

provided, however, that no such amendment may reduce or materially affect the Consideration to be received by the Shareholders under the Arrangement without their prior approval at the Meeting or, following the Meeting, without their approval given in the same manner as required by applicable Laws for the approval of the Arrangement as may be required by the Court. Notwithstanding the foregoing, the Plan of Arrangement may only be supplemented or amended in accordance with the Final Order.

The Support Agreements

The following summarizes material provisions of the Support Agreements. This summary may not contain all information about the Support Agreements that is important to Shareholders. The rights and obligations of the parties thereto are governed by the express terms and conditions of the Support Agreements and not by this summary or any other information contained in this Circular. Shareholders are urged to read the forms of Support Agreement carefully in their entirety, as well as this Circular, before making any decisions regarding the Arrangement. This summary is qualified in its entirety by reference to the forms of Support Agreements, which have been filed under FLUENT’s issuer profile on SEDAR+ at www.sedarplus.ca.

On April 29, 2026, in connection with the Arrangement, each of the Supporting Shareholders entered into a Support Agreement with Vireo. As of April 29, 2026, the Supporting Shareholders collectively owned, directly or indirectly, or exercised control or direction over, an aggregate of 229,850,647 Common Shares and 1,421,538 Proportionate Voting Shares (244,066,027 Common Shares after conversion of all (i) Proportionate Voting Shares and (ii) Non-Voting Shares) representing approximately 38.3% of the issued and outstanding Voting Shares on a non-diluted basis.

The Support Agreements set forth, among other things, the agreement of the Supporting Shareholders to (i) vote all of their securities entitled to vote in favour of the approval of Arrangement Resolution, and any other matter necessary for the consummation of the Arrangement; (ii) vote all of their securities entitled to vote against any Acquisition Proposal, and/or any matter that could reasonably be expected to delay, prevent, impede or frustrate the successful completion of the Arrangement and each of the transactions contemplated by the Arrangement Agreement; and (iii) not to, directly or indirectly, sell, transfer, assign, grant a participation interest in, option, pledge, hypothecate, grant a security interest in or otherwise convey or encumber any relevant securities, or enter into any agreement, option or other agreement to do so, other than as set out in the Support Agreements. The Supporting Shareholders have also agreed not to exercise any Dissent Rights or rights of appraisal in connection with the Arrangement.

Pursuant to the Support Agreement between Vireo, FLUENT and the Smith Group, all parties agreed that effective as of the later of the Effective Time or the Smith Note Payoff Date, the Smith Investor Rights

Agreement will be terminated in its entirety. Additionally, Vireo acknowledged that as of March 31, 2026, the outstanding principal balance of the Smith Convertible Note was \$7,921,804, and interest will continue to accrue and be added to the principal balance in accordance with the terms of the Smith Convertible Note through the date of payment in full of the then outstanding principal balance. Further, the Smith Note Holder acknowledged that the Arrangement will constitute a change of control which constitutes an event of default under the Smith Convertible Note, and effective upon the Smith Note Holder's receipt of the resulting repayment from Vireo of all outstanding indebtedness owing under the Smith Convertible Note in accordance with its terms, the Smith Note Holder irrevocably waived FLUENT's obligation to provide written notice of such change of control and event of default, and waived the applicable cure period. The Smith Note Holder further acknowledged and agreed that, among other things, upon such repayment in cash by Vireo: (i) the obligations and all other rights under the Smith Convertible Note will be deemed paid, satisfied, and discharged in full, (ii) all liens, security interests, charges, and encumbrances granted in favour of the Smith Note Holder or any subordinated creditor, pursuant to the security agreements, the collateral documents, and any other documents delivered in connection with the Smith Convertible Note will automatically and unconditionally be released, discharged, and terminated; and (iii) all guarantees granted in favour of the Smith Note Holder pursuant to the Guaranty Agreements (as defined in the Smith Convertible Note) will automatically and unconditionally be released, discharged, and terminated.

Pursuant to the Support Agreement between Vireo, FLUENT and Bad Dog Holdings LLC, the parties agreed that effective as of the Effective Time, the Hawthorne Investor Rights Agreement will be terminated in its entirety, without any further action on the part of any person.

Pursuant to the Support Agreements, FLUENT and Vireo, as applicable, have agreed and acknowledged that each of the Supporting Shareholders are bound to their respective Support Agreements solely in their capacity as a shareholder of FLUENT, and not in their capacity as a director and/or officer of FLUENT, and that nothing in the Support Agreements limits or restricts any Supporting Shareholders that are directors or officers of FLUENT from properly fulfilling their fiduciary duties as a director or officer of FLUENT.

The Support Agreements may be terminated by: (a) mutual written agreement; (b) by the Supporting Shareholder if, without the prior written consent of the Supporting Shareholder (such consent not to be unreasonably withheld or delayed), there is any decrease in the amount of the consideration payable to the Supporting Shareholder pursuant to the Arrangement Agreement; provided that, neither a decrease in the market price of the Vireo Shares nor an increase in the market price of the Common Shares will constitute a decrease in the amount of the consideration payable for the outstanding Common Shares as set out in the Arrangement Agreement. The Support Agreement will terminate automatically, without any required notice, and be of no further force or effect on the earlier of: (a) the Effective Time; and (b) the date on which the Arrangement Agreement is terminated in accordance with its terms.

FLUENT Credit Equitization Agreement

On April 29, 2026, FLUENT entered into a credit equitization agreement (the "**FLUENT Credit Equitization Agreement**"), with the lenders (the "**Lenders**") under the FLUENT Credit Agreement. Pursuant to the terms of the FLUENT Credit Equitization Agreement, among other things, FLUENT and the Lenders agreed that certain Lenders would exchange an aggregate of \$30 million of outstanding indebtedness under the FLUENT Credit Agreement for 1,701,261,364 Common Shares. Such Common Shares will, subject to the terms of the FLUENT Credit Equitization Agreement, be issuable to the applicable Lenders immediately prior to the Effective Time and will be exchanged, in accordance with the terms of the Arrangement, into an aggregate of 120,000,000 Vireo Shares on a pre-Share Consolidation basis, upon completion of the Arrangement. Notwithstanding the foregoing, certain restrictions apply to the Consideration Shares issued in exchange for FLUENT Shares issued to certain Lenders pursuant to the FLUENT Credit Equitization, as set out below under the heading "*Resales by Certain Lenders under the Credit Equitization Agreement*".

The completion of the FLUENT Credit Equitization is expressly contingent and conditioned upon: (i) FLUENT obtaining the Final Order; (ii) the submission of the Articles of Arrangement to the Director; and (iii) the Lenders executing and delivering to FLUENT (with a copy to Vireo), a third amendment to the FLUENT Credit Equitization Agreement, as of the effective time of the FLUENT Credit Equitization. Upon completion of the FLUENT Credit Equitization, the converting Lender's outstanding indebtedness under the

FLUENT Credit Agreement that was converted pursuant to the FLUENT Credit Equitization will be deemed to be repaid in full, and any related loan rights to such amounts will be extinguished, while all other obligations will remain unchanged. The outstanding indebtedness owing to the non-converting Lenders under the FLUENT Credit Agreement will remain outstanding and will not be affected or converted pursuant to the FLUENT Credit Equitization Agreement.

In accordance with the terms of the FLUENT Credit Equitization Agreement, each of the converting Lenders agreed to enter into a lock-up agreement with Vireo pursuant to which each such Lender has agreed, subject to limited exceptions, not to, among other things, sell, transfer or otherwise dispose of the Vireo Shares that such Lender receives pursuant to the Arrangement for a period of six months following the Effective Date.

The preceding description of the FLUENT Credit Equitization Agreement is qualified in its entirety by reference to the full text of the FLUENT Credit Equitization Agreement, which is available under FLUENT's profile on SEDAR+ at www.sedarplus.ca.

EFFECT OF THE ARRANGEMENT ON SHARE RIGHTS

Pursuant to the Plan of Arrangement, Registered Shareholders (other than Dissenting Shareholders) will receive Consideration Shares in exchange for their FLUENT Shares. The rights of Shareholders are currently governed by the applicable Laws of the Province of Ontario and the OBCA, and FLUENT's articles and bylaws. Since Vireo is a British Columbia corporation, the rights of Vireo Shareholders are governed by the applicable Laws of the Province of British Columbia and the BCBCA, and by Vireo's articles. Since Vireo Shares will be issued in exchange for FLUENT Shares, at the Effective Time, Registered Shareholders that are issued Vireo Shares will cease to hold shares governed by the OBCA and will instead hold, or be entitled to hold, shares governed by the BCBCA. Although the rights and privileges of shareholders under the BCBCA are in many instances comparable to those under the OBCA, there are several differences.

See Schedule K – “*Comparison of Shareholder Rights Under the OBCA and the BCBCA*” to this Circular for a summary of the rights of shareholders under the OBCA as compared to shareholders under the BCBCA. This summary is not intended to be exhaustive, and Shareholders should consult their legal advisors regarding all of the implications of the effects of the Arrangement on such Shareholders' rights.

RIGHTS OF DISSENTING SHAREHOLDERS

Section 185 of the OBCA provides registered shareholders of any class of a corporation with the right to dissent from certain resolutions that effect extraordinary corporate transactions or fundamental corporate changes. The Interim Order expressly provides Registered Shareholders with Dissent Rights in respect of the Arrangement Resolution pursuant to section 185 of the OBCA, as modified by the Plan of Arrangement and the Interim Order. Only Registered Shareholders who exercise Dissent Rights in respect of the Arrangement Resolution in strict compliance with section 185 of the OBCA, as modified by the Plan of Arrangement and the Interim Order, will be entitled, in the event that the Arrangement becomes effective, to be paid by FLUENT the fair value of the FLUENT Shares held by such Dissenting Shareholders determined as at the close of business on the day before the Arrangement Resolution is adopted. Registered Shareholders who are considering exercising Dissent Rights should be aware that there can be no assurance that the fair value of their FLUENT Shares as determined under the applicable provisions of the OBCA (as modified by the Plan of Arrangement and the Interim Order) will be more than or equal to the Consideration offered under the Arrangement and that the proceeds of disposition received by a Dissenting Shareholder may be treated in a different, and potentially adverse, manner under Canadian federal income tax Laws and United States federal income tax Laws than had such shareholder exchanged their FLUENT Shares for the Consideration pursuant to the Arrangement and that an investment banking opinion as to the fairness, from a financial point of view, of the consideration payable in a sale transaction, such as the Arrangement, is not an opinion as to, and does not otherwise address, “fair value” under section 185 of the OBCA. In addition, any judicial determination of fair value will result in delay of receipt by a Dissenting Shareholder of consideration for such Dissenting Shareholder's FLUENT Shares.

The following is a summary of the Dissent Rights in respect of the Arrangement Resolution as set forth in the provisions of the OBCA, as modified by the Plan of Arrangement and the Interim Order. This summary is not a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of its FLUENT Shares, and is qualified in its entirety by the reference to the text of section 185 of the OBCA, which is attached to this Circular as Schedule E, the text of the Interim Order, a copy of which is attached to this Circular as Schedule D and the text of the Plan of Arrangement, a copy of which is attached to this Circular as Schedule B. Pursuant to the Interim Order, Dissenting Shareholders are given rights analogous to rights of dissenting shareholders under the OBCA, as modified by the Plan of Arrangement and the Interim Order. A Dissenting Shareholder who intends to exercise Dissent Rights should carefully consider and comply with the provisions of section 185 of the OBCA, as modified by the Plan of Arrangement and the Interim Order. It is recommended that any Registered Shareholder wishing to exercise Dissent Rights seek legal advice, as failure to strictly comply with the provisions of the OBCA, as modified by the Plan of Arrangement and the Interim Order, and to adhere to the procedures established therein may prejudice their Dissent Rights and result in the loss of all rights thereunder.

In addition to any other restrictions under section 185 of the OBCA, as modified by the Plan of Arrangement and the Interim Order, none of the following persons will be entitled to exercise Dissent Rights: (a) any holder of Options or RSUs; (b) any person (including any beneficial owner of Voting Shares) who is not a Registered Shareholder; and (c) any Shareholder who votes or has instructed a proxyholder to vote its Voting Shares in favour of the Arrangement Resolution (but only in respect of such Voting Shares). A Non-Registered Shareholder desiring to exercise Dissent Rights must make arrangements for the Voting Shares beneficially owned by such Non-Registered Shareholder to be registered in such Non-Registered Shareholder's name prior to the time the written objection to the Arrangement Resolution is required to be received by FLUENT or, alternatively, make arrangements for the registered holder of such Voting Shares to exercise Dissent Rights on the Non-Registered Shareholder's behalf.

Notwithstanding section 185(6) of the OBCA (pursuant to which a written objection may be provided at or prior to the Meeting), a Registered Shareholder entitled to vote at the Meeting who wishes to exercise their Dissent Rights is required to deliver a written objection (a "**Dissent Notice**") to the Arrangement Resolution to FLUENT not later than 5:00 p.m. on July 24, 2026 (or the date that is two Business Days immediately preceding the date that any adjourned or postponed Meeting is reconvened or held, as the case may be). Such notice must be delivered to FLUENT c/o Cassels Brock & Blackwell LLP, Suite 3200, Bay Adelaide Centre – North Tower, 40 Temperance Street, Toronto, Ontario, Canada, M5H 0B4, Attention: Lara Jackson, and must otherwise strictly comply with the dissent procedures described in this Circular. **Failure to properly exercise Dissent Rights may result in the loss or unavailability of the right to dissent.**

Only Registered Shareholders may dissent. In many cases, Voting Shares beneficially owned by a Non-Registered Shareholder are registered either: (a) in the name of an Intermediary, or (b) in the name of a clearing agency (such as CDS) of which the Intermediary is a participant. Accordingly, a Non-Registered Shareholder will not be entitled to exercise its Dissent Rights directly (unless the Voting Shares are re-registered in the Non-Registered Shareholder's name). A Non-Registered Shareholder who wishes to exercise Dissent Rights should immediately contact the Intermediary with whom the Non-Registered Shareholder deals in respect of its Voting Shares and either: (i) instruct the Intermediary to exercise Dissent Rights on the Non-Registered Shareholder's behalf (which, if the Voting Shares are registered in the name of CDS or other clearing agency, may require that such Voting Shares first be re-registered in the name of the Intermediary); or (ii) instruct the Intermediary to re-register such Voting Shares in the name of the Non-Registered Shareholder, in which case the Non-Registered Shareholder would be able to exercise Dissent Rights directly.

The filing of a Dissent Notice does not deprive a Registered Shareholder of the right to vote at the Meeting. However, pursuant to the Interim Order, no Shareholder who has voted in favour of the Arrangement Resolution is entitled to dissent with respect to the Arrangement. Therefore, a Registered Shareholder who has submitted a Dissent Notice and who votes in favour of the Arrangement Resolution will no longer be considered a Dissenting Shareholder with respect to all Voting Shares owned by such person. Pursuant to section 185 of the OBCA and the Interim Order, a Registered Shareholder may not exercise Dissent Rights in respect of only a portion of such holder's Voting Shares, but may dissent only with respect to all of the

Voting Shares held by such holder on behalf of any one beneficial owner and registered in such holder's name. Additionally, pursuant to the Plan of Arrangement, no holders of Options and RSUs are entitled to exercise Dissent Rights.

A vote against the Arrangement Resolution, an abstention from voting, or a proxy submitted instructing a proxyholder to vote against the Arrangement Resolution does not constitute a Dissent Notice, but a Registered Shareholder need not vote its FLUENT Shares against the Arrangement Resolution in order to dissent. Similarly, the revocation of a proxy conferring authority on the proxyholder to vote in favour of the Arrangement Resolution does not constitute a Dissent Notice. However, any proxy granted by a Registered Shareholder who intends to dissent, other than a proxy that instructs the proxyholder to vote against the Arrangement Resolution, should be validly revoked in order to prevent the proxyholder from voting such FLUENT Shares in favour of the Arrangement and thereby causing the Registered Shareholder to forfeit their Dissent Rights.

FLUENT is required within 10 days after Shareholders adopt the Arrangement Resolution to notify each Dissenting Shareholder that the Arrangement Resolution has been adopted. Such notice is not required to be sent to any Shareholder that voted in favour of the Arrangement Resolution or who has withdrawn its Dissent Notice. Each such Dissenting Shareholder must, within 20 days after receipt of such notice (or, if such Shareholder does not receive such notice, within 20 days after learning that the Arrangement Resolution has been adopted), send to FLUENT a written notice (a “**payment demand**”) containing such Dissenting Shareholder's name and address, the number and class of shares in respect of which the Dissenting Shareholder dissented, and a demand for payment of the fair value of such FLUENT Shares and, within 30 days after sending such payment demand, send to FLUENT c/o Cassels Brock & Blackwell LLP, Suite 3200, Bay Adelaide Centre – North Tower, 40 Temperance Street, Toronto, Ontario, Canada, M5H 0B4, Attention: Lara Jackson, the certificate(s), if any, representing the Voting Shares in respect of which such Dissenting Shareholder dissented.

FLUENT or its transfer agent will endorse on any certificate(s) representing the FLUENT Shares received from a Dissenting Shareholder a notice that the holder is a Dissenting Shareholder and will forthwith return such certificate(s) to the Dissenting Shareholder. A Registered Shareholder who fails to send to FLUENT, within the appropriate time frame, a Dissent Notice, a payment demand or the certificate(s) representing the FLUENT Shares in respect of which the Dissenting Shareholder dissented, forfeits the right to make a claim under section 185 of the OBCA, as modified by the Plan of Arrangement and the Interim Order.

On sending a payment demand to FLUENT, a Dissenting Shareholder ceases to have any rights as a Shareholder other than the right to be paid the fair value of such holder's FLUENT Shares which fair value, notwithstanding anything to the contrary contained in Part XIV of the OBCA, will be determined as of the close of business on the day before the Arrangement Resolution is adopted, except where: (a) the Dissenting Shareholder withdraws the payment demand before FLUENT makes an offer to the Dissenting Shareholder pursuant to the OBCA; (b) FLUENT fails to make an offer as hereinafter described and the Dissenting Shareholder withdraws the payment demand; or (c) the proposal contemplated in the Arrangement Resolution does not proceed, in which case the Dissenting Shareholder's rights as a Shareholder will be reinstated as of the date the Dissenting Shareholder sent the payment demand.

A Dissenting Shareholder who duly exercises Dissent Rights in respect of such Dissenting Shareholder's FLUENT Shares and who is:

- (a) ultimately determined to be entitled to be paid fair value by FLUENT for the Dissent Shares in respect of which they have exercised Dissent Rights, notwithstanding anything to the contrary contained in the OBCA, will be deemed to have irrevocably transferred such Dissent Shares to FLUENT (free and clear of any Liens) to be cancelled pursuant to the terms of the Plan of Arrangement, and will receive in consideration thereof such fair value to be paid by FLUENT with FLUENT funds, which fair value, notwithstanding anything to the contrary contained in the OBCA, will be determined as of the close of business on the Business Day immediately preceding the date on which the Arrangement Resolution was adopted; or

- (b) ultimately not entitled, for any reason, to be paid by FLUENT the fair value for their FLUENT Shares, will be deemed to have participated in the Arrangement in respect of those FLUENT Shares on the same basis as a non-dissenting Shareholder and will be entitled to receive only the Consideration Shares from Vireo in the same manner as such non-dissenting Shareholders.

In no event is FLUENT, Vireo or any other person required to recognize a Dissenting Shareholder as a holder of FLUENT Shares or any interest therein (other than the rights set out in the Plan of Arrangement) at or after the Effective Time, and as at the Effective Time the names of the Dissenting Shareholders are to be removed from the securities register of Shareholders as to those FLUENT Shares.

FLUENT is required to send, not later than seven days after the later of: (a) the Effective Date; or (b) the day on which a payment demand is received from a Dissenting Shareholder, to each Dissenting Shareholder whose payment demand has been received, a written offer to pay (an “**offer to pay**”) for such Dissenting Shareholder’s FLUENT Shares in an amount considered by the directors of FLUENT to be the fair value thereof, accompanied by a statement showing the manner in which the fair value was determined. Every offer to pay, as between shares of the same class, must be on the same terms.

FLUENT must pay for the FLUENT Shares of a Dissenting Shareholder within 10 days after an offer to pay made as described above has been accepted by a Dissenting Shareholder, but any such offer to pay lapses if FLUENT does not receive an acceptance thereof within 30 days after such offer to pay has been made.

If FLUENT fails to make an offer to pay or if a Dissenting Shareholder fails to accept an offer to pay, FLUENT may, within 50 days after the Effective Date or within such further period as a court may allow, apply to a court to fix the fair value of the FLUENT Shares of such Dissenting Shareholder. There is no obligation of FLUENT to apply to a court. If FLUENT fails to make such an application, a Dissenting Shareholder may apply to a court for the same purposes within a further period of 20 days or within such further period as a court may allow. A Dissenting Shareholder is not required to give security for costs in such an application.

Upon an application to a court, all Dissenting Shareholders whose FLUENT Shares have not been purchased by FLUENT will be joined as parties and be bound by the decision of the court, and FLUENT will be required to notify each Dissenting Shareholder of the date, place and consequences of the application and of such Dissenting Shareholder’s right to appear and be heard in person or by counsel. Upon any such application to a court, the court may determine whether any person is a Dissenting Shareholder who should be joined as a party, and the court will then fix a fair value for the FLUENT Shares of all Dissenting Shareholders. The Final Order of the Court will be rendered against FLUENT in favour of each Dissenting Shareholder and for the fair value of such Dissenting Shareholder’s FLUENT Shares as fixed by the Court. The Court may, in its discretion, allow a reasonable rate of interest on the amount payable to each such Dissenting Shareholder from the Effective Date until the date of payment.

Under the OBCA, a court may make any order in respect of the Arrangement it thinks fit, including a Final Order that amends the Dissent Rights as provided for in the Plan of Arrangement and the Interim Order. In any case, it is not anticipated that additional Shareholder approval would be sought for any such variation.

The above is only a summary of the Dissent Rights under section 185 of the OBCA, as modified by the Interim Order and the Plan of Arrangement. Any Shareholders that are considering exercising Dissent Rights should consult their own legal and financial advisors. Any Registered Shareholders who are considering exercising Dissent Rights should be aware that there can be no assurance that the fair value of their FLUENT Shares as determined under the applicable provisions of the OBCA (as modified by the Plan of Arrangement and the Interim Order) will be more than or equal to the Consideration offered under the Arrangement. In addition, any judicial determination of fair value will result in delay of receipt by a Dissenting Shareholder of consideration for such Dissenting Shareholder’s FLUENT Shares. Furthermore, Shareholders who are considering exercising Dissent Rights should be aware of the consequences under Canadian federal income tax Laws and United States federal income tax Laws of exercising Dissent Rights. Accordingly, Shareholders should consult their own tax advisors for advice with respect to the tax consequences to them in respect of any such exercise of Dissent Rights.

INFORMATION CONCERNING FLUENT

FLUENT is a vertically-integrated multi-state cannabis operator in the U.S. FLUENT, through its Subsidiaries, is licensed to produce and sell medical and adult-use cannabis in New York, and medical cannabis in Florida and Texas. FLUENT is a corporation organized under the OBCA. FLUENT's head office is located at 5251 E. Diana Street, Tampa, Florida 33610 and its registered office is located at 40 Temperance Street, Suite 3200, Toronto, Ontario, M5H 0B4.

FLUENT is a reporting issuer in each of the provinces of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island and Saskatchewan. The Common Shares trade on the CSE under the trading symbol "FNT.U" and are quoted on the OTCQB Venture Market under the symbol "CNTMF".

For further information regarding FLUENT, see "*Schedule F – Information Concerning FLUENT*".

INFORMATION CONCERNING VIREO

Vireo is a cannabis company whose mission is to provide safe access, quality products and value to its customers while supporting its local communities through active participation and restorative justice programs. Vireo is evolving with the industry and is in the midst of a transformation to being significantly more customer-centric across its operations, which include cultivation, manufacturing, wholesale and retail business lines. With its core operations strategically located in 10 markets (as listed below), Vireo cultivates and manufactures cannabis products and distributes these products through its growing network of retail dispensaries that it owns or operates, as well as third-party dispensaries in the markets in which Vireo's subsidiaries hold operating licenses.

As of June 12, 2026, Vireo, through its subsidiaries, has licenses and operates in ten states, consisting of California, Colorado, Florida, Maryland, Minnesota, Missouri, New Mexico, Nevada, New York, and Utah. As of June 12, 2026, Vireo sells cannabis products in dispensaries located across California, Colorado, Florida, Maryland, Minnesota, Missouri, New Mexico, Nevada, New York, and Utah and wholesales cannabis products through third-party companies in the foregoing states.

Vireo's registered office is located at Suite 2200-1021 West Hastings Street, Vancouver, British Columbia V6E 0C3. Its corporate office is located at 207 South Ninth Street, Minneapolis, Minnesota 55402, United States of America.

Vireo is a reporting issuer in each of the provinces of Alberta, British Columbia, and Ontario. The Vireo Shares trade on the CSE under the trading symbol "VREO" and are quoted on the OTCQX Market under the symbol "VREOF".

For further information regarding Vireo, see "*Schedule G – Information Concerning Vireo*".

INFORMATION CONCERNING VIREO FOLLOWING THE ARRANGEMENT

On completion of the Arrangement, Vireo will directly own all of the issued and outstanding FLUENT Shares, FLUENT will become a wholly-owned Subsidiary of Vireo and Vireo will continue the operations of Vireo and FLUENT.

For further details concerning Vireo following the Arrangement, see "*Schedule H – Information Concerning Vireo following the Arrangement*".

RISK FACTORS

Shareholders who vote in favour of the Arrangement Resolution will be voting in favour of Vireo acquiring all of the issued and outstanding FLUENT Shares and investing in the business of Vireo. In assessing the Arrangement, you should carefully consider the risks described below which relate to the Arrangement, the failure to complete the Arrangement if, among other things, the Arrangement Resolution is not approved at the Meeting or if any other conditions precedent to the completion of the Arrangement are not satisfied or waived, as applicable, and the post-Arrangement business and operations of Vireo. Shareholders should

also carefully consider the risk factors which relate to FLUENT described under the heading “*Risk Factors*” in “*Schedule F – Information Concerning FLUENT*” and the risk factors which relate to Vireo described under the heading “*Risk Factors*” in “*Schedule G – Information Concerning Vireo*” and the risk factors described under the heading “*Risk Factors*” in this Circular and incorporated by reference in this Circular. Readers are cautioned that such risk factors are not exhaustive and additional risks and uncertainties, including those currently unknown or considered immaterial to FLUENT, may also adversely affect FLUENT or Vireo prior to the Arrangement, or Vireo following completion of the Arrangement.

Risk Factors Relating to the Arrangement

The completion of the Arrangement is subject to the satisfaction or waiver of several conditions precedent

The completion of the Arrangement is subject to a number of conditions precedent, some of which are outside of the control of FLUENT, including, among other things, receipt of the Shareholder Approval, receipt of the Final Order, completion of the required filings with the CSE for the listing of Vireo Shares issuable pursuant to the Arrangement, the U.S. Regulatory Approvals, there not having occurred a Material Adverse Effect in respect of FLUENT or Vireo, Shareholders not having validly exercised Dissent Rights with respect to more than 6% of the issued and outstanding Voting Shares, and the satisfaction of certain other customary closing conditions. In addition, the Regulatory Approval processes may take longer than anticipated to resolve, which could delay completion of the Arrangement.

There can be no certainty, nor can FLUENT provide any assurance, that all conditions precedent to the Arrangement will be satisfied or waived, nor can there be any certainty of the timing of their satisfaction or waiver. See “*The Transaction Agreements – The Arrangement Agreement – Conditions Precedent*”.

The Arrangement Agreement may be terminated by the Parties in certain circumstances

The Arrangement Agreement may be terminated by the Parties in certain circumstances, in which case the Arrangement will not be completed. Accordingly, there is no certainty, nor can FLUENT provide any assurance, that the Arrangement Agreement will not be terminated by either FLUENT or Vireo before the completion of the Arrangement. If the Arrangement Agreement is terminated and the Board decides to seek another merger or business combination, there can be no assurance that it will be able to find a party willing to agree to an equivalent or more attractive price than the price to be paid pursuant to the Arrangement. See “*Transaction Agreements – The Arrangement Agreement – Termination of the Arrangement Agreement*”.

The failure to complete the Arrangement could negatively impact FLUENT and have an adverse impact on the market price of the Common Shares and/or on the current and future business, financial condition and prospects of FLUENT.

If the Arrangement is not completed for any reason, including a failure to satisfy the conditions precedent or a termination of the Arrangement Agreement, there are risks that such failure to complete the Arrangement could adversely impact the market price of the Common Shares to the extent that the current market price of the Common Shares reflects a market assumption that the Arrangement will be completed. Depending on the reasons for the Arrangement not being completed, such failure to complete the Arrangement could have an adverse impact on the current and future business, operations, results of operations, financial condition and prospects of FLUENT.

The market value of the Vireo Shares to be issued in connection with the Arrangement has and may continue to fluctuate between the date of the Arrangement Agreement and the completion of the Arrangement

Pursuant to the Arrangement, at the Effective Time, each Shareholder will be entitled to receive 0.002351197 Vireo Shares in exchange for each Common Share (after conversion of all (i) Proportionate Voting Shares and (ii) Non-Voting Shares) held at the Effective Time, subject to adjustment in accordance with the Arrangement Agreement. Because the Consideration is fixed and will not increase or decrease due to fluctuations in the market price of the Vireo Shares or the Common Shares, the market value represented

by the Consideration has and may continue to fluctuate. The market value of each of the Vireo Shares and the Common Shares could fluctuate significantly prior to the Effective Date in response to various factors and events, including, without limitation, the differences between the Parties' actual financial or operating results and those expected by investors and analysts, changes in analysts' projections or recommendations, changes in, or market perceptions of changes in, the business, operations or prospects of FLUENT and/or Vireo, market assessments of the likelihood the Arrangement will be consummated, cannabis regulatory developments in the United States, changes in general economic or market conditions, changes in interest rates and general macro-economic conditions, broad market fluctuations and other factors over which neither Vireo nor FLUENT has control. If the market price of the Vireo Shares declines, the value of the Consideration to be received by Shareholders at the Effective Time will decline as well. As a result of such fluctuations, historical market prices are not indicative of future market prices or the market value of the Vireo Shares that Shareholders will receive on the Effective Date. There can be no assurance that the market value of the Consideration that Shareholders receive on the Effective Date will equal or exceed the market value of the Common Shares held by such Shareholders after the date hereof and prior to the Effective Date. There can also be no assurance that the trading price of the Vireo Shares will not decline or experience volatility following the completion of the Arrangement.

Shareholders will experience a reduced ownership percentage and voting power in Vireo following completion of the Arrangement

Following the completion of the Arrangement, Shareholders will hold a minority interest in Vireo. Accordingly, the issuance of Vireo Shares to Shareholders will have the effect of reducing the percentage of equity and voting interest held by such shareholders relative to their current holdings in FLUENT. Consequently, Shareholders as a group will have less influence over the management and policies of Vireo than they currently exercise over FLUENT.

The Parties will incur substantial costs in connection with the proposed Arrangement, even if the Arrangement is not completed. In certain circumstances, FLUENT may be required to pay the Termination Fee

FLUENT and Vireo have incurred and expect to incur additional material non-recurring expenses in connection with the Arrangement and completion of the transactions contemplated by the Arrangement Agreement, including costs relating to obtaining required shareholder and Regulatory Approvals. Additional unanticipated costs may be incurred by Vireo in the course of coordinating the businesses of FLUENT and Vireo after completion of the Arrangement. If the Arrangement is not completed, FLUENT will need to pay certain costs relating to the Arrangement incurred prior to the date the Arrangement was abandoned, such as legal, accounting, financial advisory and printing fees. In addition, if the Arrangement is not completed for certain reasons, FLUENT may be required to pay the Termination Fee to Vireo. Such costs may be significant and could have an adverse effect on FLUENT's cash resources, cash flows and financial condition.

The Termination Fee may discourage third parties from attempting to acquire FLUENT

If the Arrangement Agreement is terminated for certain reasons, FLUENT may be required to pay the Termination Fee to Vireo, which may discourage other parties from making an Acquisition Proposal, even if such Acquisition Proposal could provide greater value to Shareholders than the Arrangement. Even if the Arrangement Agreement is terminated without payment of the Termination Fee, FLUENT may, in the future, be required to pay the Termination Fee in certain circumstances. Accordingly, if the Arrangement is not consummated and the Arrangement Agreement is terminated, FLUENT may not be able to consummate an Acquisition Proposal that could provide greater value than what is provided for under the Arrangement without paying the Termination Fee. In addition, payment of the Termination Fee may have a significant adverse effect on the cash resources and financial results of FLUENT. See "Transaction Agreements – The Arrangement Agreement – Termination of the Arrangement Agreement – Termination Fees".

The Arrangement Agreement contains provisions that restrict the ability of FLUENT and the Board to pursue alternatives to the Arrangement

Under the Arrangement Agreement, FLUENT is restricted, subject to certain exceptions, from soliciting, initiating, knowingly encouraging or otherwise facilitating, discussing or negotiating, or furnishing information with regard to, any Acquisition Proposal or any inquiry, proposal or offer relating to any Acquisition Proposal from any person. Such restrictions may prevent FLUENT from pursuing attractive business opportunities that may arise prior to the completion of the Arrangement. If the Board unanimously determines in good faith, after consultation with its outside financial and legal advisors, and after taking into account all the terms and conditions of an Acquisition Proposal and all factors and matters considered appropriate in good faith by the Board and following receipt of the unanimous recommendation of the Special Committee, that such Acquisition Proposal would, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction that is more favourable, from a financial point of view, to the Shareholders than the Arrangement (including any adjustments to the terms and conditions of the Arrangement proposed by Vireo pursuant to the Arrangement Agreement), and the Board recommends such Acquisition Proposal to the Shareholders or if FLUENT approves, accepts, executes or enters into an Acquisition Agreement with respect to a Superior Proposal, Vireo would be entitled to terminate the Arrangement Agreement and receive the Termination Fee. See “*The Transaction Agreements – The Arrangement Agreement – Covenants – Non-Solicitation Covenants*”.

The Arrangement may divert the attention of FLUENT’s management, impact FLUENT’s ability to attract or retain key personnel or impact FLUENT’s third party business relationships

The Arrangement could cause the attention of FLUENT’s management to be diverted from the day-to-day operations of FLUENT. These disruptions could be exacerbated by a delay in the completion of the Arrangement and could result in lost opportunities or negative impacts on performance, which could have an adverse effect on the current and future business, operations, financial condition and results of operations or prospects of FLUENT if the Arrangement is not completed, and on Vireo following the Effective Date. Because the completion of the Arrangement is subject to uncertainty, officers and employees of FLUENT may experience uncertainty about their future roles, which may adversely affect FLUENT’s ability to attract or retain key management and personnel in the period until the completion or termination of the Arrangement.

In addition, third parties with which FLUENT currently has business relationships, including industry partners, customers and suppliers, may experience uncertainty associated with the Arrangement, including with respect to current or future relationships with FLUENT or Vireo following completion of the Arrangement, as applicable. Such uncertainty could have an adverse effect on the current and future business, operations, results of operations, financial condition and prospects of FLUENT and Vireo following completion of the Arrangement.

Completion of the Arrangement may trigger change of control or other provisions in certain agreements to which FLUENT is a party

The completion of the Arrangement may trigger change of control or other provisions in certain agreements to which FLUENT is a party. If FLUENT is unable to negotiate waivers of those provisions, the counterparties may exercise their rights and remedies under such agreements, potentially terminating such agreements or seeking monetary damages. Even if FLUENT is able to negotiate waivers, the counterparties may require a fee for such waivers or seek to renegotiate such agreements on terms less favourable to FLUENT or Vireo following completion of the Arrangement.

The anticipated benefits of the Arrangement may not be realized

Achieving the benefits of the Arrangement depends in part on the ability of Vireo following completion of the Arrangement to effectively capitalize on its scale, to realize the anticipated capital and operating synergies, to profitably sequence the growth prospects of its asset base and to maximize the potential of its improved growth opportunities and capital funding opportunities as a result of integrating the businesses and operations of FLUENT and Vireo.

The ability to realize the benefits of the Arrangement will depend in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as on Vireo’s ability to realize the anticipated growth opportunities and synergies from integrating FLUENT’s

and Vireo's respective businesses, following completion of the Arrangement. The integration of FLUENT's and Vireo's businesses requires the dedication of substantial effort, time and resources on the part of Vireo's management which may divert Vireo's management's focus and resources from other strategic opportunities available to it following completion of the Arrangement and from operational matters during this process.

In addition, the integration process could result in disruption of existing relationships with suppliers, employees, customers and other constituencies of FLUENT and Vireo. There can be no assurance that Vireo's management will be able to integrate the operations of the business or assets successfully or achieve any of the synergies or other benefits that are anticipated as a result of the Arrangement. Many operational and strategic decisions and certain staffing decisions with respect to integration have not yet been made. These decisions and the integration of the companies and assets may present challenges to Vireo's management, including the integration of systems and personnel of the companies which may be geographically separated, unanticipated liabilities, and unanticipated costs. It is possible that the integration process could result in the loss of key employees, the disruption of the respective ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the ability of their respective management to maintain relationships with clients, suppliers, employees or to achieve the anticipated benefits of the Arrangement. The performance of Vireo's operations after completion of the Arrangement could be adversely affected if Vireo cannot identify, attract and retain key employees to assist in the integration and operation of FLUENT and Vireo.

The consummation of the Arrangement may pose special risks, including one-time write-offs, restructuring charges and unanticipated costs. Although each of FLUENT and Vireo and their respective advisors have conducted due diligence on the various operations, there can be no guarantee that Vireo will be aware of any and all liabilities of FLUENT. As a result of these factors, it is possible that certain benefits expected from the Arrangement may not be realized. Any inability of management to successfully integrate the operations could have a Material Adverse Effect on the business, financial condition and results of operations of Vireo.

The exercise of Dissent Rights may impact cash resources or result in the Arrangement not being completed

Registered Shareholders entitled to vote at the Meeting have the right to exercise certain dissent and appraisal rights and demand payment of the fair value of their FLUENT Shares in connection with the Arrangement in accordance with the OBCA, as modified by the Plan of Arrangement and the Interim Order. If Shareholders exercise Dissent Rights in respect of a significant number of FLUENT Shares, a substantial aggregate cash payment may be required if ordered by the Court, to be made by FLUENT that could have an adverse effect on Vireo's cash resources, cash flows and financial condition if the Arrangement is completed. If, as of the Effective Date, the aggregate number of FLUENT Shares in respect of which Shareholders have validly exercised Dissent Rights exceeds 6% of the FLUENT Shares then outstanding, Vireo is entitled, in its discretion, not to complete the Arrangement. See "*Rights of Dissenting Shareholders*" and "*The Transaction Agreements – The Arrangement Agreement – Conditions Precedent*".

FLUENT and Vireo may be the target of legal claims, securities class actions, derivative lawsuits and other claims, which may delay or prevent the Arrangement from being completed

FLUENT and Vireo may be the target of securities class actions and derivative lawsuits which could result in substantial costs and may delay or prevent the Arrangement from being completed. Securities class action lawsuits and derivative lawsuits are often brought against companies that have entered into an agreement to acquire a public company or to be acquired. Third parties may also attempt to bring claims against FLUENT and Vireo seeking to restrain the Arrangement or seeking monetary compensation or other remedies. Even if the lawsuits are without merit, defending against these claims can result in substantial costs and divert management time and resources. Additionally, if a plaintiff is successful in obtaining an injunction prohibiting consummation of the Arrangement, then that injunction may delay or prevent the Arrangement from being completed.

In addition, political and public attitudes towards the Arrangement could result in negative press coverage and other adverse public statements affecting FLUENT and Vireo. Adverse press coverage and other adverse statements could lead to investigations by regulators, legislators and law enforcement officials or in legal claims or otherwise negatively impact the ability of Vireo to take advantage of various business and market opportunities. The direct and indirect effects of negative publicity, and the demands of responding to and addressing it, may have a Material Adverse Effect on FLUENT and Vireo's business, financial condition and results of operations.

Tax consequences of the Arrangement may differ from anticipated treatment

There can be no assurance that the CRA or the IRS or other applicable taxing authorities will agree with the interpretation of the Canadian federal income tax consequences and the U.S. federal income tax consequences of the Arrangement, as applicable, as set forth in this Circular. Furthermore, there can be no assurance that applicable Canadian or U.S. tax Laws, regulations or tax treaties will not change (legislatively, judicially or otherwise) or be interpreted in a manner, or that applicable taxing authorities will not take an administrative position, that is adverse to FLUENT, Vireo or their respective shareholders following completion of the Arrangement. See "*Certain Income Tax Considerations*".

If the exchange of FLUENT Shares for Consideration Shares pursuant to the Arrangement does not qualify as a reorganization under Section 368(a)(1) of the U.S. Tax Code, certain adverse tax consequences affecting the U.S. Holders of FLUENT Shares may result.

The U.S. federal income tax consequences of the exchange of FLUENT Shares for Consideration Shares pursuant to the Arrangement will depend on a number of factors. If the exchange of FLUENT Shares for Consideration Shares pursuant to the Arrangement does not qualify as a reorganization under Section 368(a)(1) of the U.S. Tax Code, the exchange will be treated as a taxable transaction for U.S. federal income tax purposes, and a U.S. Holder of FLUENT Shares will recognize gain or loss on the exchange of its FLUENT Shares for Consideration Shares equal to the difference between the fair market value of the Consideration Shares received and the adjusted basis in the FLUENT Shares surrendered. See "*Certain United States Federal Income Tax Considerations – FLUENT Share Exchange*" below for a discussion of the intended tax treatment of the exchange of FLUENT Shares for Consideration Shares pursuant to the Arrangement.

This summary is qualified in its entirety by the section entitled "*Certain United States Federal Income Tax Considerations*" and U.S. Holders are encouraged to read that section and consult with their tax advisers regarding the U.S. federal income tax consequences of the Arrangement.

Directors, officers and employees of FLUENT may have interests in the Arrangement that may be different from those of Shareholders

Certain of the directors and executive officers of FLUENT negotiated the terms of the Arrangement Agreement, and the Board has unanimously recommended that Shareholders vote in favour of the Arrangement Resolution. In considering the unanimous recommendation of the Board to vote in favour of the Arrangement Resolution, Shareholders should be aware that certain members of FLUENT's executive leadership team and the Board have interests in connection with the Arrangement that differ from, or are in addition to, those of Shareholders generally and may present them with actual or potential conflicts of interest in connection with the Arrangement. The Board was aware of, and considered, these interests when it determined the advisability of the Arrangement Agreement and unanimously recommended that Shareholders approve the Arrangement Resolution. See "*Regulatory Matters and Approval – Interests of Certain Persons or Companies in the Arrangement*".

The Arrangement Agreement contains certain restrictions on the ability of FLUENT to conduct its business, including among other things, managing and operating FLUENT and its Subsidiaries' respective businesses in accordance in all material respects with the Operating Budget

Under the Arrangement Agreement, FLUENT must generally conduct its business in the ordinary course and, until the Arrangement is completed or the Arrangement Agreement is terminated, FLUENT and its Subsidiaries must, among other things, manage and operate their respective businesses in accordance in

all material respects with the Operating Budget. In addition, FLUENT is subject to certain covenants, including with respect to adherence to the Operating Budget, which restrict it from taking certain actions without the consent of Vireo and which require FLUENT to take certain other actions. These restrictions may delay or prevent FLUENT from pursuing business opportunities that may arise or preclude actions that would otherwise be advisable if FLUENT was to remain a standalone entity. If the Arrangement is not completed for any reason, the restrictions that were imposed on FLUENT under the Arrangement Agreement, including in respect of the Operating Budget, may have an adverse effect on the current or future operations, financial condition and prospects of FLUENT as a standalone entity. See “*The Transaction Agreements – The Arrangement Agreement – Covenants – Conduct of Business*”.

The Fairness Opinion does not reflect changes in circumstances that may have occurred or that may occur between the date of the Arrangement Agreement and the completion of the Arrangement

The Special Committee and the Board have not obtained an updated opinion from ATB Cormark, as of the date of this Circular, nor do they expect to receive an updated, revised or reaffirmed opinion prior to the completion of the Arrangement. Changes in the operations and prospects of FLUENT and Vireo, general market and economic conditions and other factors that may be beyond the control of the Parties, and on which the Fairness Opinion was based, may significantly alter the value of FLUENT and Vireo or the market price of the FLUENT Shares or the Vireo Shares by the time the Arrangement is completed. The Fairness Opinion does not speak as of the time the Arrangement will be completed or as of any date other than the date of such opinion. Since the Fairness Opinion will not be updated, such opinion will not address the fairness of the Consideration, from a financial point of view, at the time the Arrangement is completed. The recommendation of the Board, however, is made as of the date of this Circular. See “*The Arrangement – Fairness Opinion*”.

Risk Factors Relating to Vireo Following Completion of the Arrangement

Cannabis remains illegal under U.S. federal law

FLUENT and Vireo currently engage in the cannabis industry in the United States where local and state laws permit such activities. However, as of the date of this Circular, cannabis remains a scheduled drug under the CSA and, subject to certain exceptions in relation to medical cannabis, is illegal under U.S. federal law. According to the U.S. Controlled Substances Act 21 U.S.C. §§ 801 et seq. (the “**CSA**”), Schedule I is reserved for the most dangerous drugs with no currently accepted medical use and a high potential for abuse. Even in those states in which the use of cannabis has been legalized, the manufacturing, distributing, selling and possessing of cannabis remains a violation of federal law. Since federal law criminalizing the use of cannabis pre-empts state laws that legalize its use, strict enforcement of federal law regarding cannabis would harm each of FLUENT’s and Vireo’s respective businesses, prospects, results of operations, and financial condition. The business activities of FLUENT and Vireo, while believed to be compliant with applicable state and local U.S. law, are currently illegal under U.S. federal law.

On April 23, 2026, the U.S. Department of Justice (the “**DOJ**”) and the Drug Enforcement Administration (the “**DEA**”) finalized an order that immediately placed both products containing cannabis (or “marijuana,” as it is called under the CSA) that are approved by the Food and Drug Administration (the “**FDA**”) and cannabis products regulated by a state medical cannabis license on Schedule III of the CSA. While adult-use cannabis has not yet been rescheduled, the DEA has scheduled a hearing for June 29, 2026 to consider the broader rescheduling of cannabis to Schedule III. Rescheduling is a momentous change for the cannabis industry but its full implications are not yet fully known. Under the CSA, Schedule III drugs have a currently accepted medical use and a potential for abuse that is less than substances in Schedules I and II, and thus, the rescheduling of medical cannabis from Schedule I to Schedule III loosens DEA restrictions. Nonetheless, the DEA has made clear that, with respect to medical cannabis (and with respect to adult-use cannabis, if the rescheduling of such products takes place), the regulatory controls applicable to Schedule III controlled substances would apply, which include controls related to the manufacture, distribution, dispensing, and possession of cannabis. While FDA-approved cannabis products and medical cannabis products sold pursuant to a state medical cannabis license are now part of Schedule III, a state medical cannabis license is required under federal law to register with the DEA in order to lawfully manufacture, distribute or dispense such products. Both FLUENT and Vireo are in the process of submitting such

registrations. If FLUENT or Vireo are unable to secure the necessary registrations from the DEA, their medical cannabis operations would not be subject to the loosened restrictions under Schedule III. Notwithstanding this rescheduling, medical cannabis remains a controlled substance and state-legal programs will continue to operate outside of federally legal channels in their distribution of the substance, in part because no state cannabis operator currently holds a DEA registration to possess or distribute cannabis. The rescheduling of medical cannabis to Schedule III removes the tax penalties imposed by Section 280E of the U.S. Tax Code. Medical cannabis businesses will be able to take advantage of all applicable deductions and credits on their business taxes that other businesses enjoy and adult-use cannabis businesses will be able to take advantage of this as well if such products are likewise rescheduled to Schedule III following the hearing scheduled for June 29, 2026. Violations of federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil Proceedings conducted by either the 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 on FLUENT and Vireo, including its respective reputation and ability to conduct business, its holding (directly or indirectly) of medical and adult-use cannabis licenses in the United States, the listing of its securities on the CSE, its financial position, operating results, profitability or liquidity or the market price of its publicly traded shares.

FLUENT and Vireo are subject to a number of other risks relating to the cannabis industry in the United States and the laws and regulations applicable thereto. See the risk factors described in “*Schedule F – Information Concerning FLUENT – Risk Factors*” and “*Schedule G – Information Concerning Vireo – Risk Factors*” and under the heading “*Risk Factors*” in the Vireo Annual Report.

U.S. state and local regulation of cannabis is uncertain and changing

There is no assurance that state laws legalizing and regulating 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. 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 state laws are repealed or curtailed, FLUENT and Vireo’s respective businesses or operations in those states or under those laws could be materially and adversely affected. Federal actions against any individual or entity engaged in the cannabis industry, or a substantial repeal of cannabis related legislation could materially adversely affect FLUENT and Vireo, its business and its assets or investments.

The rulemaking process at the state level that applies to cannabis operators is ongoing and results in frequent changes. Notwithstanding FLUENT’s and Vireo’s efforts and diligence, regulatory compliance and the process of obtaining Regulatory Approvals can be costly and time-consuming. No assurance can be given that FLUENT and Vireo will receive the requisite Permits to continue operating their respective businesses in each of the markets in which they conduct business.

In addition, local laws and ordinances could restrict the respective business activities of FLUENT and Vireo. In some states, local governments have the ability to limit, restrict and ban cannabis businesses from operating within their jurisdiction. Land use, zoning, local ordinances and similar laws could be adopted or changed and have a Material Adverse Effect on FLUENT’s or Vireo’s respective businesses.

Multiple states where medical and/or adult use cannabis is legal have or are considering special taxes or fees on businesses in the marijuana industry. It is uncertain at this time whether other states are in the process of reviewing such additional taxes and fees. The implementation of special taxes or fees could have a Material Adverse Effect upon FLUENT’s or Vireo’s respective businesses, prospects, revenue, results of operation and financial condition.

Significant demands will be placed on Vireo following completion of the Arrangement and FLUENT and Vireo cannot provide any assurance that their systems, procedures and controls will be

adequate to support the expansion of operations and associated complexity following and resulting from the Arrangement

As a result of the pursuit and completion of the Arrangement, significant demands will be placed on the managerial, operational and financial personnel and systems of FLUENT and Vireo. FLUENT and Vireo cannot provide any assurance that their systems, procedures and controls will be adequate to support the expansion of operations and associated increased costs and complexity following and resulting from the Arrangement. The future operating results of Vireo following completion of the Arrangement may be affected by the ability of its officers and key employees to manage changing business conditions, to integrate the acquisition of FLUENT, to implement a new business strategy and to improve its operational and financial controls and reporting systems.

Failure by any Party to comply with applicable Laws prior to the Arrangement could subject Vireo to penalties and other adverse consequences following completion of the Arrangement

Each of FLUENT and Vireo is subject to various U.S. and Canadian anti-corruption laws and regulations including, but not limited to, the *Corruption of Foreign Public Officials Act* (Canada) and *US Foreign Corrupt Practices Act*, as well as similar Laws in the countries in which it conducts business. The foregoing Laws prohibit companies and their intermediaries from making improper payments to officials for the purpose of obtaining or retaining business. In addition, such Laws require the maintenance of records relating to transactions and an adequate system of internal controls over accounting. There can be no assurance that any Party's internal control policies and procedures, compliance mechanisms or monitoring programs will protect it from recklessness, fraudulent behavior, misrepresentations or other illegal acts or adequately prevent or detect possible violations under applicable anti-bribery and anti-corruption legislation. A failure by a Party to comply with anti-bribery and anti-corruption legislation could result in severe criminal or civil sanctions, and may subject Vireo to other liabilities, including fines, prosecution, potential debarment from public procurement and reputational damage, all of which could have a Material Adverse Effect on the business, consolidated results of operations and consolidated financial condition of Vireo following completion of the Arrangement. Investigations by Governmental Authorities could have a Material Adverse Effect on the business, consolidated results of operations and consolidated financial condition of Vireo following completion of the Arrangement.

Each of FLUENT and Vireo is also subject to certain Laws relating to the environment, health and safety, taxes, employment, labour standards, money laundering, terrorist financing and other matters in the jurisdictions in which they operate. A failure by any Party to comply with any such legislation prior to the Arrangement could result in severe criminal or civil sanctions, and may subject Vireo to other liabilities, including fines, prosecution and reputational damage, all of which could have a Material Adverse Effect on the business, consolidated results of operations and consolidated financial condition of Vireo following completion of the Arrangement. The compliance mechanisms and monitoring programs adopted and implemented by any Party prior to the Arrangement may not adequately prevent or detect possible violations of such applicable Laws.

New legislation and tax risks in certain operating jurisdictions

Taxation Laws are complex, subject to varying interpretations and applications by the relevant tax authorities and subject to changes and revisions in the ordinary course, which could result in an increase in Vireo's taxes, or other governmental charges, duties or impositions, or an unreasonable delay in the refund of certain taxes owing to Vireo following completion of the Arrangement. No assurance can be given that new tax Laws, rules or regulations will not be enacted or that existing tax Laws will not be changed, interpreted or applied in a manner that could result in Vireo's profits being subject to additional taxation, result in Vireo not recovering certain taxes on a timely basis or at all, or that could otherwise have a Material Adverse Effect on Vireo.

U.S. Domestic Corporation for U.S. Federal Income Tax Purposes

Vireo is deemed to be a resident of Canada for Canadian federal income tax purposes by virtue of being organized under the laws of a Province of Canada. Accordingly, Vireo is subject to Canadian taxation on its worldwide income, in accordance with the rules in the Tax Act generally applicable to corporations

resident in Canada. Notwithstanding that Vireo is deemed to be a resident of Canada for Canadian federal income tax purposes, Vireo is treated as a United States corporation for United States federal income tax purposes, pursuant to Section 7874(b) of the U.S. Tax Code, and will be subject to United States federal income tax on Vireo's worldwide income. As a result, Vireo is subject to taxation both in Canada and the United States, which could have a material, adverse effect on Vireo's business, financial condition, or results of operations.

Withholding Tax on Dividends

Vireo does not currently anticipate paying any dividends on any of the Vireo Shares in the foreseeable future. To the extent dividends are paid on the Vireo Shares, dividends received by holders of Vireo Shares who are residents of Canada for purposes of the Tax Act will be subject to U.S. withholding tax. A foreign tax credit or a deduction under the Tax Act in respect of such U.S. withholding taxes may not be available to such holder. See "*Certain Canadian Federal Income Tax Considerations — Holders Resident in Canada — Dividends on Vireo Shares*".

Dividends received by Non-Resident Holders of Vireo Shares who are U.S. Holders will not be subject to U.S. withholding tax but will be subject to Canadian withholding tax. Since Vireo will be considered to be a U.S. domestic corporation for U.S. federal income tax purposes, dividends paid by Vireo will be characterized as U.S. source income for purposes of the foreign tax credit rules under the U.S. Tax Code. See "*Certain United States Federal Income Tax Considerations*".

A holder that is both a Non-Resident Holder and a Non-U.S. Holder may be subject to (a) Canadian withholding tax (see "*Certain Canadian Federal Income Tax Considerations*"), and (b) United States withholding tax (see "*Certain United States Federal Income Tax Considerations*") on dividends received on the Vireo Shares. Non-Resident Holders and Non-U.S. Holders should consult their own tax advisors with respect to the availability of any foreign tax credits or deductions in respect of any Canadian or United States withholding tax applicable to dividends on the Vireo Shares.

The foregoing discussion is subject in its entirety to the summaries set forth under the headings "*Certain Canadian Federal Income Tax Considerations*" and "*Certain United States Federal Tax Considerations*".

U.S. Tax Classification – United States Real Property Holding Corporation

Vireo is treated as a U.S. domestic corporation for U.S. federal income tax purposes under Section 7874 of the U.S. Tax Code. As a U.S. domestic corporation for U.S. federal income tax purposes, the taxation of the Non-U.S. Holders upon a disposition of Vireo Shares generally depends on whether Vireo is classified as a United States real property holding corporation (a "USRPHC") for U.S. federal income tax purposes. Vireo does not believe that it is currently a USRPHC and does not anticipate becoming one in the foreseeable future. However, Vireo has not sought and does not intend to seek formal confirmation of its status as a non-USRPHC from the IRS. If Vireo ultimately is determined by the IRS to constitute a USRPHC, its Non-U.S. Holders may be subject to U.S. federal income tax on any gain associated with the disposition of the Vireo Shares. See "*Certain United States Federal Tax Considerations*".

Risk Factors Relating to the Vireo Shares

Following the Arrangement, the trading price of the Vireo Shares cannot be guaranteed, may be volatile and could be less than, on an adjusted basis, the current trading prices of the Parties due to various market-related and other factors

The trading price of the Vireo Shares has been, and may continue to be, highly volatile and subject to wide fluctuations, and the market for Vireo Shares may remain thin and illiquid. A volatile and sporadic trading market can undermine investor confidence, depress Vireo's valuation, cause significant losses for investors and make it more difficult, costly or dilutive for Vireo to raise capital or use Vireo's equity as consideration in strategic transactions.

The market prices for securities of cannabis companies generally have been volatile, and the Vireo Shares may fluctuate significantly in response to numerous factors, many of which are beyond Vireo's control, including: (i) actual or anticipated fluctuations in Vireo's operating and financial results; (ii) changes in the market valuations or performance of cannabis and other comparable companies; (iii) sales or expected sales of the Vireo Shares (including by significant shareholders) and the release or expiration of transfer restrictions on Vireo Multiple Voting Shares or Vireo Shares; (iv) issuances of additional equity, or the exercise of options, warrants or other convertible securities; (v) changes in Vireo's executive officers or other key personnel; (vi) changes in laws, regulations or enforcement priorities affecting the cannabis industry or Vireo's business; or broader conditions in the equity, credit and capital markets, including interest rate changes, sector-specific sentiment toward cannabis and related industries, and general economic, political or market volatility.

Periods of extreme volatility and disruption in financial markets have, in the past, led to sharp declines in the market prices of many companies' securities, often unrelated or disproportionate to operating results. The Vireo Shares may be similarly affected, and there can be no assurance that they will not experience further significant price and volume volatility. Trading in securities quoted on the OTCQX Market is often thin, sporadic and characterized by wide bid-ask spreads and significant price swings, many of which may have little to do with the underlying performance or prospects of the issuer. As such, investors in the Vireo Shares may experience reduced liquidity, greater difficulty reselling their shares and increased vulnerability to price manipulation or other trading anomalies. These factors may further discourage institutional and other investors from purchasing or holding the Vireo Shares, which could depress the trading price and trading volume of the Vireo Shares which could materially impair Vireo's ability to access the public or private capital markets on acceptable terms, or at all, and increase the cost and dilutive impact of any equity or equity-linked financings. Volatility may also hinder Vireo's ability to use Vireo's equity as acquisition currency or to attract and retain employees through equity-based compensation. Any of the foregoing could materially and adversely affect Vireo's business, financial condition, results of operations and Vireo's ability to execute Vireo's growth strategy.

The issuance of Vireo Shares and a resulting "market overhang" could adversely affect the market price of the Vireo Shares following completion of the Arrangement

On completion of the Arrangement, additional Vireo Shares will be issued and available for trading in the public market. The increase in the number of Vireo Shares may lead to sales of such shares or the perception that such sales may occur (commonly referred to as "market overhang"), either of which may adversely affect the market for, and the market price of, the Vireo Shares.

The issuance and future sale of Vireo Shares following completion of the Arrangement may adversely and materially affect shareholders of Vireo

Following the completion of the Arrangement, Vireo may issue equity securities to finance its activities, including in order to finance acquisitions. If Vireo was to issue additional equity securities, the ownership interest of Former Shareholders will be diluted, relative to the proportional ownership and voting interests of Former Shareholders in Vireo, as the case may be, immediately following the completion of the Arrangement, and some or all of Vireo's financial measures on a per share basis could be reduced. Moreover, as Vireo's intention to issue additional equity securities becomes publicly known, the corresponding share price may be materially adversely affected.

Risks Relating to the Businesses of FLUENT and Vireo

The businesses of each of FLUENT and Vireo are subject to significant risks. See the risk factors concerning FLUENT set out in "*Schedule F – Information Concerning FLUENT*" and the risk factors concerning Vireo set out in "*Schedule G – Information Concerning Vireo*" and under the heading "*Risk Factors*" in the Vireo Annual Financial Statements. While each of FLUENT and Vireo has completed due diligence investigations, including reviewing regulatory, environmental, legal, tax, accounting, financial and other matters, on the other Parties, certain risks either may not have been uncovered or are not known at this time. Such risks may have an adverse impact on Vireo following the Arrangement and may have a negative impact on the value of the securities of Vireo.

CERTAIN INCOME TAX CONSIDERATIONS

Certain Canadian Federal Income Tax Considerations

The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act that are generally applicable to a beneficial owner of FLUENT Shares who exchanges its FLUENT Shares pursuant to the Arrangement, and who at all relevant times and for purposes of the Tax Act: (a) deals at arm's length with FLUENT and Vireo; (b) is not affiliated with FLUENT or Vireo; and (c) holds FLUENT Shares, and will hold Vireo Shares received pursuant to the Arrangement, as capital property (each such owner in this summary, a "**Holder**").

FLUENT Shares and Vireo Shares generally will be considered capital property to a Holder for purposes of the Tax Act unless the Holder holds or uses such shares, or is deemed to hold or use such shares, in the course of carrying on a business of trading or dealing in securities or the Holder has acquired or holds or is deemed to have acquired or held such shares in a transaction or transactions considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Holder: (a) that is a "financial institution" (as defined in the Tax Act for the purposes of the mark-to-market rules); (b) that is a "specified financial institution" (as defined in the Tax Act); (c) an interest in which is, or whose FLUENT Shares or Vireo Shares are, a "tax shelter investment" (as defined in the Tax Act); (d) that reports its "Canadian tax results", as defined in the Tax Act, in a currency other than Canadian currency; (e) that is a "foreign affiliate" (as defined in the Tax Act) of a taxpayer resident in Canada; (f) that has entered into or will enter into a "synthetic disposition arrangement" or a "derivative forward agreement" (each as defined in the Tax Act) with respect to FLUENT Shares or Vireo Shares; (g) that receives or will receive dividends on their FLUENT Shares or Vireo Shares under or as part of a "dividend rental arrangement" (as defined in the Tax Act); (h) that is exempt from tax under Part I of the Tax Act; (i) that acquired FLUENT Shares upon the exercise of an employee stock option or other equity-based employment compensation arrangement; or (j) that, immediately following the Arrangement, will, either alone or together with persons with whom such Holder does not deal at arm's length, either control Vireo or beneficially own shares of Vireo which have a fair market value in excess of 50% of the fair market value of all outstanding shares of the capital stock of Vireo, all within the meaning of the Tax Act.

This summary does not address the tax consequences to holders of RSUs and Options. **Any such holder should consult its own tax advisor with respect to the tax consequences of the Arrangement.**

Additional considerations not discussed herein may apply to a Holder that is a corporation resident in Canada that is or becomes (or does not deal at arm's length for purposes of the Tax Act with a corporation resident in Canada that is or becomes), as part of a transaction or event or series of transactions or events that includes the acquisition of the Vireo Shares, controlled by a non-resident person or a group of non-resident persons that do not deal with each other at arm's length for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. Such Holders should consult their own tax advisors.

This summary is based on the facts set out in this Circular, the current provisions of the Tax Act in force as of the date hereof and counsel's understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency ("**CRA**") made publicly available in writing prior to the date hereof. This summary also takes into account all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that the Proposed Amendments will be enacted in the form proposed. However, no assurance can be given that the Proposed Amendments will be enacted in the form proposed, or at all. Except for the Proposed Amendments, this summary does not otherwise take into account or anticipate any other changes in Law, whether by judicial, governmental or legislative decision or action, or changes in the administrative policies or assessing practices of the CRA, nor does this summary take into account other federal or provincial, territorial, or foreign income tax legislation or considerations, which may differ from the Canadian federal income tax considerations discussed below.

Vireo is a Canadian corporation for the purposes of the Tax Act. As referenced under the headings "*Certain United States Federal Income Tax Considerations*" and "*Risk Factors – U.S. Domestic Corporation for U.S. Federal Income Tax Purposes*", Vireo is also classified as a U.S. domestic corporation for United States

federal income tax purposes, with related consequences and potential consequences to Vireo and its shareholders. For the purposes of the discussion of Canadian federal income tax considerations below, it has been assumed that Vireo is and will be classified as a U.S. domestic corporation for United States federal income tax purposes at all relevant times. No legal opinion or tax ruling has been sought or obtained in this regard or with respect to any other assumptions made for purposes of this summary.

This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not, and should not be construed as, legal, business or tax advice to any particular Holder and no representation with respect to the tax consequences to any particular Holder is made. Accordingly, all Holders should consult with and rely upon their own tax advisors regarding the Canadian federal income tax consequences of the Arrangement applicable to their particular circumstances, and any other consequences to them of such transactions under Canadian federal, provincial, local, and foreign tax Laws.

Currency Conversion

Generally, for the purposes of the Tax Act, all amounts relating to the acquisition, holding, or disposition of securities (including dividends, adjusted cost base, and proceeds of disposition) must be expressed in Canadian dollars. Amounts denominated in a foreign currency must generally be converted into Canadian dollars based on the rate quoted by the Bank of Canada on the date such amounts arise, or such other rate of exchange as is acceptable to the Minister of National Revenue (Canada).

Holders Resident in Canada

This portion of the summary is generally applicable to a Holder that, at all relevant times, for purposes of the Tax Act and any applicable income tax treaty or convention is, or is deemed to be, resident in Canada (a “**Resident Holder**”).

Certain Resident Holders whose FLUENT Shares or Vireo Shares might not otherwise qualify as capital property may, in certain circumstances, be eligible to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have their FLUENT Shares, Vireo Shares, and every other “Canadian security” (as defined in the Tax Act) owned by such Resident Holder in the taxation year in which the election is made and in all subsequent taxation years be deemed to be capital property of the Resident Holder. **Resident Holders are advised to consult their own tax advisors to determine whether such an election is available and desirable in their particular circumstances.**

Exchange of Proportionate Voting Shares and Non-Voting Shares for Common Shares

Generally, the exchange of a Resident Holder's Proportionate Voting Shares and Non-Voting Shares, as applicable, for Common Shares pursuant to the Arrangement will not constitute a disposition thereof by the Resident Holder for the purposes of the Tax Act and, accordingly, will not give rise to a capital gain or capital loss. The cost to a Resident Holder of the Common Shares received on the exchange of Proportionate Voting Shares and Non-Voting Shares, as applicable, will be deemed to be equal to the Resident Holder's adjusted cost base of the exchanged Proportionate Voting Shares and Non-Voting Shares, as applicable, immediately before the exchange.

The adjusted cost base to a Resident Holder of Common Shares at a particular time will generally be determined by averaging the cost of the Common Shares with the adjusted cost base of any other Common Shares (if any) held by such Resident Holder as capital property at that time.

Exchange of FLUENT Shares for Vireo Shares

A Resident Holder, other than a Dissenting Resident Holder, that disposes of FLUENT Shares to Vireo in exchange for Vireo Shares under the Arrangement will generally not realize a capital gain (or a capital loss) pursuant to section 85.1 of the Tax Act, unless such Resident Holder chooses to recognize any portion of a capital gain (or a capital loss) by including such amount in computing the Resident Holder's income for the taxation year of the Resident Holder in which such exchange takes place, as described below.

Where a Resident Holder does not choose to recognize any portion of a capital gain (or capital loss) on such exchange, the Resident Holder will be deemed to have disposed of its FLUENT Shares for proceeds of disposition equal to the adjusted cost base of those FLUENT Shares, determined immediately before such exchange, and the Resident Holder will be deemed to have acquired the Vireo Shares at an aggregate cost equal to such adjusted cost base of the FLUENT Shares. The cost of such Vireo Shares will be averaged with the adjusted cost base of all other Vireo Shares (if any) held by the Resident Holder as capital property at that time for the purpose of determining the adjusted cost base of each Vireo Share held by the Resident Holder.

Where a Resident Holder chooses to recognize a capital gain (or a capital loss) on such exchange, the Resident Holder will realize a capital gain (or a capital loss) equal to the amount, if any, by which the fair market value of the Vireo Shares received is greater (or is less) than the aggregate of the adjusted cost base of the FLUENT Shares to the Resident Holder, determined immediately before such exchange, and any reasonable costs of disposition. A general description of the taxation of capital gains and capital losses is set out below under "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*". The cost to a Resident Holder of the Vireo Shares acquired on such exchange will equal the fair market value of such Vireo Shares at the time of such exchange. This cost will generally be averaged with the adjusted cost base of all other Vireo Shares (if any) held by the Resident Holder at that time as capital property for the purpose of determining the adjusted cost base of each Vireo Share held by the Resident Holder.

Dividends on Vireo Shares

A Resident Holder will be required to include in computing its income for a taxation year any dividends received (or deemed to be received) on Vireo Shares.

Dividends received or deemed to be received on Vireo Shares by a Resident Holder who is an individual (including certain trusts) will be subject to the gross-up and dividend tax credit rules applicable to a "taxable dividend" received from a "taxable Canadian corporation" (each as defined in the Tax Act). Such dividends will be eligible for the enhanced gross-up and dividend tax credit applicable to dividends designated by Vireo as "eligible dividends" (as defined in the Tax Act). There may be limitations on the ability of Vireo to designate dividends as "eligible dividends".

A dividend received (or deemed to be received) by a Resident Holder that is a corporation will generally be deductible in computing FLUENT's taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Resident Holder that is a corporation as proceeds of disposition or capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own particular circumstances.

A Resident Holder that is a "private corporation" or a "subject corporation" (as defined in the Tax Act) may be liable to pay a refundable tax under Part IV of the Tax Act on dividends received (or deemed to be received) on their Vireo Shares to the extent such dividends are deductible in computing the Resident Holder's taxable income for the year. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

As Vireo is treated as a U.S. corporation for U.S. federal income tax purposes pursuant to section 7874 of the U.S. Tax Code, a Resident Holder may be subject to United States withholding tax on dividends received on the Vireo Shares (see "*Risk Factors*" and "*Certain United States Federal Income Tax Considerations*"). Any United States withholding tax paid by or on behalf of a Resident Holder in respect of dividends received on the Vireo Shares by a Resident Holder may be eligible for foreign tax credit or deduction treatment where applicable under the Tax Act. Generally, a foreign tax credit in respect of a tax paid to a particular foreign country is limited to the Canadian tax otherwise payable in respect of income sourced in that country. Dividends received on the Vireo Shares by a Resident Holder may not be treated as income sourced in the United States for these purposes, such that a foreign tax credit under the Tax Act may not be available in respect of any United States withholding tax applicable to dividends on the Vireo Shares in certain circumstances. **Resident Holders should consult their own tax advisors with respect**

to the availability of any foreign tax credits or deductions under the Tax Act in respect of any United States withholding tax applicable to dividends on the Vireo Shares.

Disposition of Vireo Shares

A Resident Holder that disposes of or is deemed to have disposed of a Vireo Share (other than a disposition to Vireo that is not a sale in the open market in the manner in which shares would normally be purchased by any member of the public in an open market) will generally realize a capital gain (or capital loss) in the taxation year of the disposition equal to the amount by which the proceeds of disposition of the Vireo Share, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base to the Resident Holder of the Vireo Share immediately before the disposition or deemed disposition. Such capital gain (or capital loss) will be subject to the tax treatment described below under “*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*”.

Taxation of Capital Gains and Capital Losses

Generally, a Resident Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a “**taxable capital gain**”) realized in the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) realized in a taxation year from taxable capital gains realized by the Resident Holder in the year and allowable capital losses in excess of taxable capital gains for the year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized on the disposition of a share by a Resident Holder that is a corporation may, to the extent and under the circumstances specified by the Tax Act, be reduced by the amount of dividends received or deemed to have been received by such Resident Holder on such share (or on a share for which such a share is substituted or exchanged). Similar rules may apply where a Resident Holder that is a corporation is a member of a partnership or a beneficiary of a trust that owns any such shares, directly or indirectly, through a partnership or trust. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

As Vireo is treated as a U.S. corporation for U.S. federal income tax purposes pursuant to section 7874 of the U.S. Tax Code, a Resident Holder may be subject to United States federal income tax on a gain realized on the disposition of a Vireo Share if Vireo is classified as an USRPHC under the U.S. Tax Code (see “*Risk Factors*” and “*Certain United States Federal Income Tax Considerations*”). United States federal income tax, if any, levied on any gain realized on a disposition of a Vireo Share may be eligible for a foreign tax credit under the Tax Act to the extent and under the circumstances described in the Tax Act. Generally, a foreign tax credit in respect of a tax paid to a particular foreign country is limited to the Canadian tax otherwise payable in respect of income sourced in that country. Gains realized on the disposition of a Vireo Share by a Resident Holder may not be treated as income sourced in the United States for these purposes, such that a foreign tax credit under the Tax Act may not be available in respect of any United States withholding tax applicable to the disposition of the Vireo Shares in certain circumstances. **Resident Holders should consult their own tax advisors with respect to the availability of a foreign tax credit, having regard to their own particular circumstances.**

Additional Refundable Tax on Canadian-Controlled Private Corporations

A Resident Holder (including a Dissenting Resident Holder) that is a “Canadian-controlled private corporation” (as defined in the Tax Act) throughout the relevant taxation year, or a “substantive CCPC” (as defined in the Tax Act) at any time in the relevant taxation year, may be liable to pay an additional tax (refundable in certain circumstances) on its “aggregate investment income” (as defined in the Tax Act) for the year, including any taxable capital gains, interest, and dividends or deemed dividends that are not deductible in computing the Resident Holder’s taxable income.

Minimum Tax

A capital gain realized, or a dividend received or deemed to be received, by a Resident Holder (including a Dissenting Resident Holder) who is an individual (including certain trusts) may give rise to liability for alternative minimum tax under the Tax Act. Resident Holders should consult their own tax advisors on the alternative minimum tax in their particular circumstances.

Dissenting Resident Holders

A Resident Holder that validly exercises Dissent Rights under the Arrangement (a “**Dissenting Resident Holder**”) will be deemed to have transferred its FLUENT Shares to FLUENT and will be entitled to receive a payment from FLUENT of an amount equal to the fair value of its FLUENT Shares.

A Dissenting Resident Holder will be deemed to have received a taxable dividend equal to the amount, if any, by which the payment (other than any portion of the payment that is interest, if any, awarded by the court) exceeds the “paid-up capital” (computed for the purpose of the Tax Act) of the Dissenting Resident Holder’s FLUENT Shares immediately before their surrender to FLUENT under the Arrangement. Any such deemed taxable dividend will be subject to tax generally in the same manner as discussed above under the heading “*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Dividends on Vireo Shares*”.

The Dissenting Resident Holder will also realize a capital gain (or capital loss) equal to the amount, if any, by which the payment (excluding any interest awarded by a court), less the deemed taxable dividend (if any) and less reasonable costs of disposition, is greater (or is less) than the adjusted cost base of the Dissenting Resident Holder’s FLUENT Shares determined immediately before the Arrangement. For a general description of the tax treatment of capital gains and capital losses, see “*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Capital Losses*” above.

A Dissenting Resident Holder will be required to include in income the amount of any interest awarded to the Dissenting Resident Holder by a court.

Resident Holders that are considering exercising Dissent Rights should consult their tax advisors with respect to the Canadian federal income tax consequences of exercising their Dissent Rights.

Eligibility for Investment by Registered Plans

Based on the current provisions of the Tax Act as of the date hereof, the Vireo Shares will be “qualified investments” under the Tax Act for a trust governed by a “registered retirement savings plan”, a “registered retirement income fund”, a “registered education savings plan”, a “registered disability savings plan”, a “tax-free savings account”, a “first home savings account” (each referred to as a “**Registered Plan**”), or a “deferred profit sharing plan” (“**DPSP**”), each as defined in the Tax Act, at a particular time provided that, at such time, the Vireo Shares are listed on a “designated stock exchange” for purposes of the Tax Act (which currently includes the CSE) or Vireo is a “public corporation” (as defined in the Tax Act).

Notwithstanding the foregoing, the holder or subscriber of, or an annuitant under, a Registered Plan, as the case may be, (the “**Controlling Individual**”) will be subject to a penalty tax if the Vireo Shares held in the Registered Plan are a “prohibited investment” (as defined in the Tax Act) for the particular Registered Plan. Vireo Shares will generally not be a “prohibited investment” for a Registered Plan, provided that the Controlling Individual deals at arm’s length with Vireo for the purposes of the Tax Act and does not have a “significant interest” (as defined in subsection 207.01(4) of the Tax Act) in Vireo. In addition, the Vireo Shares will generally not be a “prohibited investment” if such shares are “excluded property” (as defined in the Tax Act) for the Registered Plan.

Resident Holders that intend to hold Vireo Shares in a Registered Plan or a DPSP should consult their own tax advisors in regard to their particular circumstances.

Holders Not Resident in Canada

The following portion of the summary is generally applicable to a Holder that, at all relevant times, for purposes of the Tax Act and any applicable income tax treaty or convention, is neither resident nor deemed to be resident in Canada, and does not use or hold, and is not and will not be deemed to use or hold, FLUENT Shares or Vireo Shares in connection with carrying on a business in Canada (a “**Non-Resident Holder**”). This portion of the summary does not apply to a Non-Resident Holder that carries on, or is deemed to carry on, an insurance business in Canada and elsewhere or that is an “authorized foreign bank” (as defined in the Tax Act). Such Non-Resident Holders should consult their own tax advisors.

Exchange of Proportionate Voting Shares and Non-Voting Shares for Common Shares

Generally, the tax treatment to a Non-Resident Holder that participates in the Arrangement will be the same as that described above under the heading “*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Exchange of FLUENT Proportionate Voting Shares and Non-Voting Shares for Common Shares*”.

Exchange of FLUENT Shares for Vireo Shares and Subsequent Dispositions of Vireo Shares

FLUENT Shares held by Non-Resident Holders, other than Dissenting Non-Resident Holders, as defined below, will be exchanged for Vireo Shares as part of the Arrangement. Such exchange will occur on a tax-deferred basis such that no capital gain or capital loss will be realized unless the Non-Resident Holder chooses to recognize a capital gain or capital loss.

A Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain, or be entitled to deduct any capital loss, realized on the exchange of FLUENT Shares to Vireo or on the subsequent disposition of Vireo Shares, unless, at the Effective Time, such shares, as the case may be, are “taxable Canadian property” (as defined in the Tax Act) to the Non-Resident Holder and are not “treaty-protected property” (as defined in the Tax Act) of the Non-Resident Holder.

Generally, a FLUENT Share or Vireo Share, as the case may be, of a particular Non-Resident Holder will not be “taxable Canadian property” (within the meaning of the Tax Act) of the Non-Resident Holder at a particular time provided such share is listed on a “designated stock exchange” within the meaning of the Tax Act (which includes the CSE), unless at any time during the 60-month period that ends at that time, (a) 25% or more of the issued shares of any class or series of the capital stock of FLUENT or Vireo, as the case may be, were owned by, or belonged to, any combination of (i) the Non-Resident Holder, (ii) persons with whom the Non-Resident Holder did not deal at arm’s length, and (iii) partnerships in which the Non-Resident Holder or a person described in (ii) holds a membership interest directly or indirectly through one or more partnerships; and (b) more than 50% of the fair market value of such share was derived, directly or indirectly, from any combination of real or immovable property situated in Canada, “Canadian resource property” (as defined in the Tax Act), “timber resource property” (as defined in the Tax Act), or options in respect of, interests in, or for civil law rights in such properties, whether or not such properties exist.

Notwithstanding the foregoing, FLUENT Shares or Vireo Shares may also be deemed to be taxable Canadian property of a Non-Resident Holder for purposes of the Tax Act.

Even if the FLUENT Shares or Vireo Shares are taxable Canadian property to a Non-Resident Holder, a taxable capital gain resulting from the disposition of such shares will not be included in computing the Non-Resident Holder’s income for the purposes of the Tax Act if such shares constitute “treaty-protected property”. FLUENT Shares or Vireo Shares owned by a Non-Resident Holder will generally be treaty-protected property of a Non-Resident Holder if the gain from the disposition of such shares would, because of an applicable income tax treaty between Canada and the country in which the Non-Resident Holder is resident for purposes of such treaty and in respect of which the Non-Resident Holder is entitled to receive benefits thereunder, be exempt from tax under the Tax Act.

A Non-Resident Holder whose FLUENT Shares or Vireo Shares are “taxable Canadian property” and are not “treaty-protected property” will generally have the same Canadian federal income tax considerations as those described above under “*Certain Canadian Federal Income Tax Considerations – Holders Resident*”.

in Canada – Exchange of FLUENT Shares for Vireo Shares” and “Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Disposition of Vireo Shares”.

Non-Resident Holders whose FLUENT Shares or Vireo Shares may constitute taxable Canadian property should consult their own tax advisors for advice having regard to their particular circumstances.

Dividends on Vireo Shares

Dividends paid, deemed to be paid, or credited on Vireo Shares to a Non-Resident Holder will be subject to Canadian withholding tax at the rate of 25% on the gross amount of the dividend, unless such rate is reduced by the terms of an applicable income tax treaty or convention. Under the *Canada-United States Tax Convention (1980)*, as amended, (the “**U.S. Treaty**”) the rate of withholding tax on dividends paid or credited to a Non-Resident Holder that is resident in the U.S. for purposes of the U.S. Treaty, is the beneficial owner of the dividends, and is fully entitled to benefits under the U.S. Treaty is generally limited to 15% of the gross amount of the dividend (or 5% in the case of a company beneficially owning at least 10% of Vireo’s voting shares).

Dissenting Non-Resident Holders

A Non-Resident Holder that validly exercises Dissent Rights under the Arrangement (a “**Dissenting Non-Resident Holder**”) will be deemed to have transferred their FLUENT Shares to FLUENT and will be entitled to receive a payment from FLUENT of an amount equal to the fair value of their FLUENT Shares.

A Dissenting Non-Resident Holder will be deemed to have received a taxable dividend equal to the amount, if any, by which the payment (other than any portion of the payment that is interest, if any, awarded by the court) exceeds the “paid-up capital” (computed for the purpose of the Tax Act) of the Dissenting Non-Resident Holder’s FLUENT Shares immediately before their surrender to FLUENT under the Arrangement. Any deemed taxable dividend will be subject to Canadian withholding tax as generally described above under “*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Dividends on Vireo Shares*”.

A Dissenting Non-Resident Holder will also be considered to have disposed of such FLUENT Shares for proceeds of disposition equal to the amount paid to such Dissenting Non-Resident Holder less an amount in respect of interest, if any, awarded by the court and the amount of any deemed taxable dividend. As discussed above under “*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Exchange of FLUENT Shares for Vireo Shares and Subsequent Dispositions of Vireo Shares*”, a Dissenting Non-Resident Holder will generally not be subject to tax under the Tax Act on any capital gain realized on the disposition of FLUENT Shares pursuant to the exercise of their Dissent Rights unless the FLUENT Shares are “taxable Canadian property” at the time of the disposition and the Dissenting Non-Resident Holder is not exempt from tax under the Tax Act on any such gain under an applicable income tax treaty or convention between Canada and the country in which the Dissenting Non-Resident Holder is resident.

Interest (if any) awarded by a court to a Dissenting Non-Resident Holder generally should not be subject to withholding tax under the Tax Act, provided that such interest is not “participating debt interest” (as defined in the Tax Act).

Non-Resident Holders that are considering exercising Dissent Rights should consult their tax advisors with respect to the Canadian federal income tax consequences of exercising their Dissent Rights.

Certain United States Federal Income Tax Considerations

The following section describes certain material U.S. federal income tax considerations for U.S. Holders (as defined below) and Non-U.S. Holders (as defined below) with respect to the exchange of FLUENT Shares for Consideration Shares pursuant to the Arrangement (the “**FLUENT Share Exchange**”) and ownership and disposition of the Consideration Shares. This discussion applies only to beneficial owners

that hold their FLUENT Shares as capital assets for U.S. federal income tax purposes (generally, property held for investment). This discussion does not consider all aspects of U.S. federal income taxation that may be relevant to a particular beneficial owner in light of such beneficial owner's circumstances or status, including the U.S. federal income tax consequences to:

- financial institutions or financial services entities;
- broker-dealers;
- taxpayers that are subject to the mark-to-market tax accounting rules;
- tax-exempt entities;
- governments or agencies or instrumentalities thereof;
- insurance companies;
- regulated investment companies;
- real estate investment trusts;
- expatriates or former long-term residents of the United States;
- "controlled foreign corporations," and corporations that accumulate earnings to avoid U.S. federal income tax;
- foreign corporations with respect to which there are one or more United States shareholders within the meaning of Treasury Regulation Section 1.367(b)-3(b)(1)(ii);
- persons that actually or constructively own 10% or more of the FLUENT Shares, by vote or value;
- persons that acquired FLUENT Shares as compensation;
- persons that hold FLUENT Shares as part of a straddle, constructive sale, hedge, conversion or other integrated or similar transaction; or
- U.S. Holders whose functional currency is not the U.S. dollar.

This discussion is based on the Internal Revenue Code of 1986, as amended (the "**U.S. Tax Code**"), proposed, temporary and final U.S. Treasury Regulations promulgated under the U.S. Tax Code, and judicial and administrative interpretations thereof, all as of the date hereof. All of the foregoing is subject to change, which change could apply retroactively and could affect the tax considerations described herein. This discussion does not address alternative minimum tax considerations, special tax accounting rules under Section 451(b) of the U.S. Tax Code, the tax laws under Section 1202 and 1045 of the U.S. Tax Code (relating to certain qualified small business stock), or U.S. federal taxes other than those pertaining to U.S. federal income taxation (such as gift taxes or the Medicare tax on investment income), nor does it address any aspects of U.S. state or local or non-U.S. taxation. We have not and do not intend to seek any rulings from the IRS regarding the FLUENT Share Exchange. There can be no assurance that the IRS will not take positions concerning the tax consequences of the transactions that are inconsistent with the consequences discussed below or that any such positions would not be sustained by a court.

As used herein, the term "**U.S. Holder**" means a beneficial owner of FLUENT Shares that is, for U.S. federal income tax purposes:

- an individual citizen or resident of the United States or someone treated as a U.S. citizen or resident for U.S. federal income tax purposes;
- a corporation, or entity treated as a corporation, organized in or under the laws of the United States, any state thereof or the District of Columbia, or
- a trust, if (i) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons (as defined in the U.S. Tax Code) have authority to control all substantial decisions of the trust or (ii) it has a valid election in effect under U.S. Treasury Regulations to be treated as a U.S. person.

As used herein, the term "**Non-U.S. Holder**" means a beneficial owner of FLUENT Shares that is not a U.S. Holder and is not an entity or arrangement treated as a partnership for U.S. federal income tax purposes.

If a partnership (or any entity so characterized for U.S. federal income tax purposes) holds FLUENT Shares, the tax treatment of such partnership, and of a person treated as a partner of such partnership, will generally

depend on the status of the partner and the activities of the partnership. Partnerships holding any FLUENT Shares and persons that are treated as partners of such partnerships should consult their tax advisors as to the particular U.S. federal income tax consequences of the FLUENT Share Exchange.

THIS SUMMARY IS FOR GENERAL INFORMATION PURPOSES ONLY AND IS NOT INTENDED TO CONSTITUTE A COMPLETE SUMMARY OF ALL U.S. TAX CONSEQUENCES RELATING TO THE ARRANGEMENT. ALL HOLDERS OF FLUENT SHARES SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE TAX CONSEQUENCES OF THE FLUENT SHARE EXCHANGE, INCLUDING THE EFFECTS OF U.S. FEDERAL, STATE AND LOCAL AND NON-U.S. TAX LAWS.

FLUENT is treated as a domestic corporation for U.S. federal income tax purposes pursuant to Section 7874(b) of the U.S. Tax Code, and, as discussed below, Vireo has represented that it is also treated as a U.S. domestic corporation pursuant to Section 7874(b) of the U.S. Tax Code. As a result, the FLUENT Share Exchange generally will be subject to the U.S. federal income tax treatment described below, notwithstanding the fact that FLUENT and Vireo are incorporated in Canada.

FLUENT Share Exchange

For U.S. federal income tax purposes, it is intended that the FLUENT Share Exchange will be treated as a “reorganization” within the meaning of Section 368(a)(1)(B) of the U.S. Tax Code (a “**B Reorganization**”).

Assuming the FLUENT Share Exchange qualifies as a B Reorganization, (i) a U.S. Holder will generally not recognize gain or loss upon the exchange of FLUENT Shares for Consideration Shares pursuant to the FLUENT Share Exchange, (ii) the aggregate tax basis in the Consideration Shares received pursuant to the FLUENT Share Exchange will generally equal such U.S. Holder’s aggregate adjusted tax basis in the FLUENT Shares surrendered in exchange therefor, and (iii) such U.S. Holder’s holding period for the Consideration Shares will generally include its holding period in the FLUENT Shares surrendered in exchange therefor.

Assuming the FLUENT Share Exchange qualifies as a B Reorganization, a Non-U.S. Holder generally will not recognize gain or loss upon the exchange of FLUENT Shares for Consideration Shares pursuant to the FLUENT Share Exchange.

If the FLUENT Share Exchange does not qualify as a B Reorganization, the FLUENT Share Exchange will be treated as a taxable transaction for U.S. federal income tax purposes and U.S. Holders of FLUENT Shares will recognize gain or loss on the exchange of FLUENT Shares for Consideration Shares equal to the difference between the fair market value of the Consideration Shares received and the adjusted basis in the FLUENT Shares surrendered in the FLUENT Share Exchange.

For U.S. federal income tax purposes, if the FLUENT Share Exchange does not qualify as a B Reorganization, a Non-U.S. Holder generally will not be subject to U.S. federal income tax unless:

- the gain, if any, on the FLUENT Shares is effectively connected with the conduct by the Non-U.S. Holder of a trade or business in the United States (and if required by an applicable tax treaty, is attributable to the Non-U.S. Holder’s permanent establishment in the United States), in which event (i) the Non-U.S. Holder generally will be subject to U.S. federal income tax in substantially the same manner as if it were a U.S. Holder and (ii) if the Non-U.S. Holder is a corporation, it may also be subject to a branch profits tax at a rate of 30% (or such lower rate as may be specified under an applicable income tax treaty) on its effectively connected earnings and profits that are not reinvested in the United States for the taxable year, subject to certain adjustments;
- the Non-U.S. Holder is an individual who was present in the United States for 183 days or more in the taxable year of the exchange of shares of FLUENT Shares for the Consideration Shares pursuant to the FLUENT Share Exchange certain other conditions are met, in which event the Non-U.S. Holder will generally be subject to tax at a rate of 30% (or such lower rate as may be specified under an applicable income tax treaty) on the gain from the exchange of FLUENT Shares, which may be offset by U.S. source capital losses of the Non-U.S. Holder (even though the individual is

not considered a resident of the United States), provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses; or

- FLUENT is or has been a USRPHC as defined in Section 897 of the U.S. Tax Code at any time during the shorter of (x) the five-year period ending on the date of the FLUENT Share Exchange and (y) the Non-U.S. Holder's holding period with respect to the FLUENT Shares and certain other conditions are satisfied. FLUENT believes that, as of the Closing, FLUENT will not have been a USRPHC at any time within the five-year period ending on the date thereof.

The remainder of this discussion assumes that the FLUENT Share Exchange will qualify as a B Reorganization. Neither FLUENT nor Vireo, nor any of their respective advisors or affiliates, makes any representations or provides any assurances regarding the tax consequences of the FLUENT Share Exchange, including whether the FLUENT Share Exchange qualifies as a B Reorganization. Each U.S. Holder is urged to consult its tax advisors with respect to the qualification of the FLUENT Share Exchange as a B Reorganization and the tax consequences to them if the FLUENT Share Exchange does not so qualify.

Dissent Rights

A U.S. Holder exercising Dissent Rights will be deemed to have transferred their FLUENT Shares to FLUENT prior to the FLUENT Share Exchange and will be entitled to receive a payment from FLUENT of an amount equal to the fair value of their FLUENT Shares. Such U.S. Holder exercising Dissent Rights will recognize gain or loss on the exchange of its FLUENT Shares equal to the difference between the sum of the payment received and the U.S. Holder's adjusted basis in the FLUENT Shares surrendered in exchange therefor. U.S. Holders who are considering exercising Dissent Rights are urged to consult with their tax advisors regarding the U.S. federal income tax consequences to them of exercising Dissent Rights.

Backup Withholding

The Consideration Shares received by a U.S. Holder may be subject to U.S. backup withholding, currently at a rate of 24%, if the U.S. Holder fails to furnish a correct taxpayer identification number and make other required certifications, or fails to establish that it is otherwise exempt from backup withholding.

BACKUP WITHHOLDING IS NOT AN ADDITIONAL TAX. AMOUNTS WITHHELD MAY BE CREDITED AGAINST A U.S. HOLDER'S U.S. FEDERAL INCOME TAX LIABILITY, AND A U.S. HOLDER GENERALLY MAY OBTAIN A REFUND OF ANY EXCESS AMOUNTS WITHHELD UNDER THE BACKUP WITHHOLDING RULES BY TIMELY FILING AN APPROPRIATE CLAIM FOR REFUND WITH THE IRS AND FURNISHING ANY REQUIRED INFORMATION. EACH U.S. HOLDER SHOULD CONSULT ITS OWN TAX ADVISORS REGARDING BACKUP WITHHOLDING RULES.

Ownership and Disposition of Consideration Shares

Vireo has represented that it is treated as a domestic corporation pursuant to Section 7874(b) of the U.S. Tax Code, notwithstanding the fact that it is incorporated in Canada. Accordingly, as discussed further below, a U.S. Holder holding Consideration Shares will generally be treated for U.S. federal income tax purposes as holding shares of a U.S. C corporation.

Distributions with Respect to Consideration Shares

A U.S. Holder that receives a distribution, including a constructive distribution, with respect to a Consideration Share will be required to include the amount of such distribution in gross income as a dividend (without reduction for any foreign income tax withheld from such distribution) to the extent of the current or accumulated "earnings and profits" of Vireo, as computed for U.S. federal income tax purposes. To the extent that a distribution exceeds the current and accumulated "earnings and profits" of Vireo, such distribution will be treated first as a tax-free return of capital to the extent of a U.S. Holder's tax basis in the Consideration Shares and thereafter as gain from the sale or exchange of such Consideration Shares (see "*Sale or Other Taxable Disposition of Consideration Shares*" below). Dividends received on Consideration

Shares by corporate U.S. Holders may be eligible for a partial “dividends received deduction”. Dividends paid by Vireo to non-corporate U.S. Holders, including individuals, generally will be eligible for the preferential tax rates applicable to long-term capital gains for dividends.

Sale or Other Taxable Disposition of Consideration Shares

A U.S. Holder will generally recognize gain or loss on the sale or other taxable disposition of Consideration Shares in an amount equal to the difference, if any, between (a) the amount of cash plus the fair market value of any property received and (b) such U.S. Holder’s tax basis in such Consideration Shares sold or otherwise disposed of. Any such gain or loss generally will be capital gain or loss, which will be long-term capital gain or loss if, at the time of the sale or other disposition, such Consideration Shares are held for more than one year. Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate, or trust. There are currently no preferential tax rates for long-term capital gains of a U.S. Holder that is a corporation. Deductions for capital losses are subject to significant limitations under the U.S. Tax Code.

OTHER INFORMATION

Interest in Meeting Business and Material Transactions

Other than as set forth in this Circular, none of FLUENT, FLUENT’s directors or executive officers, or anyone associated or affiliated with any of them, has or had a material interest in any item of business at the Meeting except for any interest arising from the ownership of FLUENT Shares where the Shareholder will receive no extra or special benefit or advantage not shared on a *pro rata* basis by all holders of FLUENT Shares. A material interest is one that could reasonably interfere with the ability to make independent decisions.

Other than as set forth below or elsewhere in this Circular, no director or executive officer of FLUENT or any director or executive officer of a Subsidiary of FLUENT or any person who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the voting rights attached to the issued and outstanding FLUENT Shares, or anyone associated or affiliated with any of them, has or had a direct or indirect material interest in any transaction since the beginning of FLUENT’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect, FLUENT or any of its Subsidiaries.

Christopher Hagedorn, a former director of FLUENT, was at the applicable time, the Executive Vice President and Chief of Staff of The Scotts Miracle-Gro Company (“**SMG**”) and its subsidiary companies, including The Hawthorne Gardening Company LLC (“**HGC**”). On April 8, 2026, SMG and Vireo entered into a definitive agreement whereby Vireo acquired HGC and in connection therewith Vireo nominated Mr. Hagedorn for election at Vireo’s Annual General and Special Meeting of shareholders held on May 29, 2026. Pursuant to the OBCA and in connection with the foregoing, Mr. Hagedorn declared that he was in a conflict of interest with respect to the Arrangement, and therefore did not attend any meetings of the Board relating to the Arrangement and abstained from consenting to the resolutions of the Board approving the Arrangement and all related matters in accordance with the OBCA. Mr. Hagedorn resigned from the Board on April 29, 2026.

Legal Matters

Certain legal matters in connection with the Arrangement will be passed upon by Cassels Brock & Blackwell LLP and Goodwin Procter LLP.

DIRECTORS' APPROVAL

The contents of this Circular and the sending thereof to the Shareholders have been approved by the Board. A copy of this Circular has been sent to: (a) each director of FLUENT; (b) each Shareholder entitled to receive notice of the Meeting; and (c) the auditor of FLUENT.

DATED this 12th day of June, 2026.

**BY ORDER OF THE BOARD OF DIRECTORS OF
FLUENT CORP.**

(Signed) "*William Smith*"

William Smith
Chair of the Board of FLUENT Corp.

CONSENTS OF EXPERTS**Consent of ATB Cormark Capital Markets****To the Board of Directors and the Special Committee of FLUENT Corp. ("FLUENT")**

We refer to the full text of the written fairness opinion dated April 29, 2026 (the "**Fairness Opinion**"), which we prepared solely for the benefit and use of the board of directors of FLUENT (the "**Board**") and the special committee of independent directors of FLUENT (the "**Special Committee**") in connection with the arrangement involving FLUENT and Vireo Growth Inc., as described in the management information circular of FLUENT dated June 12, 2026 (the "**Circular**").

We consent to the inclusion of the full text of the Fairness Opinion in Schedule C to the Circular, and reference to our firm name and the Fairness Opinion in the Circular.

The Fairness Opinion was given as at April 29, 2026, and remains subject to the assumptions, limitations, qualifications and other matters set out therein. In providing our consent, we do not intend that any person other than the Board and the Special Committee will be entitled to rely upon the Fairness Opinion.

Dated: June 12, 2026

(signed) "*ATB Capital Markets Corp.*"

ATB CORMARK CAPITAL MARKETS

GLOSSARY OF TERMS

In this Circular and accompanying Notice of Meeting, unless there is something in the subject matter inconsistent therewith, the following terms will have the respective meanings set out below, words importing the singular number will include the plural and vice versa and words importing any gender will include all genders.

"2018 Farm Bill" has the meaning given to it in Schedule F – *"Information Concerning Fluent – U.S. Regulatory Environment – 2018 Farm Bill."*

"2023 Private Placement" has the meaning given to it in Schedule F – *"Information Concerning Fluent - General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2023 – 2023 Private Placement."*

"2023 Unit" has the meaning given to it in Schedule F – *"Information Concerning Fluent - General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2023 – 2023 Private Placement."*

"2023 Warrant" has the meaning given to it in Schedule F – *"Information Concerning Fluent - General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2023 – 2023 Private Placement."*

"2024 Arrangement" has the meaning given to it in Schedule F – *"Information Concerning Fluent - General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – The 2024 Arrangement - 2024 Arrangement Agreement."*

"2024 Arrangement Agreement" has the meaning given to it in Schedule F – *"Information Concerning Fluent - General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – The 2024 Arrangement - 2024 Arrangement Agreement."*

"2024 Exchange Ratio" has the meaning given to it in Schedule F – *"Information Concerning Fluent - General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – The 2024 Arrangement - 2024 Arrangement Agreement."*

"2024 Plan of Arrangement" has the meaning given to it in Schedule F – *"Information Concerning Fluent - General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – The 2024 Arrangement - 2024 Arrangement Agreement."*

"256 County Route" has the meaning given to it in Schedule G – *"Information Concerning Vireo – Recent Developments – New York Property Acquisition."*

"Acceptable Confidentiality Agreement" means a customary confidentiality agreement between FLUENT and a third party other than Vireo that is entered into in accordance with an Acquisition Proposal and that (a) does not contain any provision prohibiting or otherwise restricting FLUENT from complying with any of the terms of the Arrangement Agreement and (b) contains confidentiality and standstill restrictions that are no less restrictive to such third party (in comparison to Vireo) and are no less favourable to FLUENT than those set out in the confidentiality agreement entered into between FLUENT and Vireo.

"Ace" has the meaning given to it in Schedule G – *"Information Concerning Vireo – Recent Developments – Strategic Partnership with Ace Ventures."*

"Acquisition Agreement" has the meaning given to it in *"Transaction Agreements – The Arrangement Agreement – Acquisition Agreements and Non-Solicitation Covenants."*

"Acquisition Proposal" means, at any time, other than the transactions contemplated by the Arrangement Agreement, whether or not in writing, (a) any offer, proposal or inquiry from any person or group of persons other than Vireo (or any affiliate of Vireo) after the date of the Arrangement Agreement relating with respect to: (i) any direct or indirect acquisition by any person or group of persons of FLUENT Shares, including any

securities convertible into or exchangeable or exercisable for Common Shares; (ii) any direct or indirect acquisition by any person or group of persons of FLUENT Shares (or securities convertible into or exchangeable or exercisable for FLUENT Shares) representing 20% or more of the votes attached to the FLUENT Shares then outstanding (assuming, if applicable, the conversion, exchange or exercise of securities convertible into or exchangeable or exercisable for FLUENT Shares); (iii) any plan of arrangement, amalgamation, merger, share exchange, consolidation or other business combination, involving or in respect of FLUENT or any of its subsidiaries; (iv) any direct or indirect acquisition (or any alliance, joint venture, lease, long-term supply agreement or other arrangement having the same economic effect as the foregoing) by any person or group of persons other than Vireo (or any affiliate of Vireo), in a single transaction or a series of related transactions, of any assets of FLUENT and/or any interest in one or more of its subsidiaries (including shares or other equity interest of subsidiaries) that individually or in the aggregate represent 20% or more of the consolidated assets of FLUENT and its subsidiaries (taken as a whole), contribute 20% or more of the consolidated revenue of FLUENT and its subsidiaries (taken as a whole) or constitute or hold 20% or more of the fair market value of the assets of FLUENT and its subsidiaries (taken as a whole), in each case based on the financial statements of FLUENT most recently filed prior to such time as part of the FLUENT Public Disclosure Record (or any sale, disposition, lease, license, royalty, alliance, joint venture, long-term supply agreement or other arrangement having a similar economic effect not entered into in the ordinary course of business), whether in a single transaction or a series of related transactions, and whether by plan of arrangement, amalgamation, merger, consolidation, recapitalization, liquidation, dissolution or other business combination, sale of assets, joint venture, take-over bid, tender offer, share exchange, exchange offer or otherwise, including any single or multi-step transaction or series of transactions, directly or indirectly involving FLUENT or any of its subsidiaries, and in each case excluding the Arrangement and the other transactions contemplated by the Arrangement Agreement; or (v) any other similar transaction or series of transactions involving FLUENT or any of its subsidiaries whose assets or revenues, individually or in the aggregate, represent 20% or more of the consolidated assets of FLUENT and its subsidiaries (taken as a whole), contribute 20% or more of the consolidated revenue of FLUENT and its subsidiaries (taken as a whole) or constitute or hold 20% or more of the fair market value of the assets of FLUENT and its subsidiaries (taken as a whole) based on the financial statements of FLUENT most recently filed prior to such time as part of the FLUENT Public Disclosure Record; (b) public announcement of an intention to do any of the foregoing; or (c) modification or proposed modification of any such offer, proposal or inquiry, in each case excluding the Arrangement and the other transactions contemplated by the Arrangement Agreement.

“Adjusted Exchange Consideration” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Description of Share Capital and Securities – Non-Voting Shares – Change of Control Adjustment.”*

“affiliate” and **“associate”** have the meanings respectively ascribed thereto under the Securities Act.

“Agribusiness Holdings” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – Acquisition of Bridgewell Agribusiness LLC.”*

“allowable capital loss” has the meaning given to it under the heading *“Certain Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Capital Losses.”*

“Alternative Exchangeable Security” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Description of Share Capital and Securities – Non-Voting Shares – Change of Control Adjustment.”*

“Amended Credit Agreement” has the meaning given to it in Schedule F – *“Information Concerning Fluent – General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – First Credit Agreement Amendment.”*

“Amended Employment Agreement” has the meaning given to it under Schedule G – *“Information Concerning Vireo – Recent Developments – Amendment to CEO Employment Agreement.”*

“Amended Floor” has the meaning given to it in Schedule F – *“Information Concerning Fluent - General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – The 2024 Arrangement - Smith Transaction.”*

“Amended Smith Transaction Termination Agreement” has the meaning given to it in Schedule F – *“Information Concerning Fluent - General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – First Credit Agreement Amendment – Amended Smith Transaction Termination Agreement.”*

“Annual Financial Statements” has the meaning given to it under *“General Proxy Information – Notice-and-Access.”*

“Annual MD&A” has the meaning given to it under *“General Proxy Information – Notice-and-Access.”*

“Annual Resolutions” means the election of directors of FLUENT for the ensuing year and the re-appointment of PKF O’Connor Davies, LLP as the auditors of FLUENT for the ensuing year and the authorization of the Board to fix their remuneration.

“Arrangement” means the arrangement of FLUENT under Section 182 of the OBCA on the terms and subject to the conditions set forth in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the terms of the Arrangement Agreement and the Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of Vireo and FLUENT, each acting reasonably.

“Arrangement Agreement” means the arrangement agreement dated April 29, 2026, as amended on June 8, 2026, between FLUENT and Vireo, together with the Schedules attached thereto, as the same may be amended, supplemented, restated or otherwise modified from time to time in accordance with the terms thereof.

“Arrangement Resolution” means the special resolution to be considered and, if thought advisable, passed by the Voting Shareholders at the Meeting to approve the Arrangement, substantially in the form set out in Schedule A to the Circular.

“Articles of Arrangement” means the articles of arrangement of FLUENT in respect of the Arrangement, to be filed with the Director in accordance with the OBCA after the Final Order is made, which will include the Plan of Arrangement and otherwise be in form and content satisfactory to FLUENT and Vireo, each acting reasonably.

“Asset Sale” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – Acquisition of Assets of Schwazze.”*

“ATB Cormark” means ATB Capital Markets Corp.

“B Reorganization” has the meaning given to it under the heading *“Certain Income Tax Considerations – Certain United States Federal Income Tax Considerations – FLUENT Share Exchange.”*

“Bank Secrecy Act” has the meaning given to it in Schedule F – *“Information Concerning Fluent – U.S. Regulatory Environment – Money Laundering Laws.”*

“BCBCA” means the *Business Corporations Act* (British Columbia), including the rules and regulations made under it, as it or they may have been or may from time to time be amended, supplemented, re-enacted or superseded.

“Beasley Employment Agreement” has the meaning given to it under *“Appendix F-1 – Statement of Executive Compensation.”*

“Beneficial Ownership Requirement” has the meaning given to it under the heading *“Voting Shares and Principal Holders Thereof.”*

“Bindi Employment Agreement” has the meaning given to it under *“Regulatory Matters and Approvals – Canadian Securities Law Matters – Interests of Certain Persons or Companies in the Arrangement – Change of Control Provisions.”*

“Board” means the board of directors of FLUENT as the same is constituted from time to time.

“Bridge Loan” has the meaning given to it in Schedule F – *“Information Concerning Fluent - General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – Bridge Loan.”*

“Bridge Note” has the meaning given to it in Schedule F – *“Information Concerning Fluent - General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – Bridge Note.”*

“Bridgewell” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – Acquisition of Bridgewell Agribusiness LLC.”*

“Bridgewell Convertible Notes” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – Acquisition of Bridgewell Agribusiness LLC.”*

“Broadridge” means Broadridge Financial Services, Inc.

“Buffalo Facility” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Description of the Business – New York – Cultivation and Production.”*

“Business and Ethics Code” has the meaning given to it in Schedule F – *“Information Concerning Fluent - Corporate Governance.”*

“Business Day” means a day other than a Saturday, a Sunday or any other day on which commercial banking institutions in Toronto, Ontario or Minneapolis, Minnesota are authorized or required by applicable Law to be closed.

“Canadian Securities Authorities” means the applicable securities commission or securities regulatory authority of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island and Saskatchewan.

“Canadian Securities Laws” means the Securities Act, together with all other applicable securities Laws, rules and regulations and published policies thereunder or under the securities laws of any other province or territory of Canada.

“Cannabis” or **“cannabis”** or **“Marijuana”** or **“marijuana”** means (i) all living or dead material, plants, seeds, plant parts or plant cells from any cannabis species or subspecies, including wet and dry material, trichomes, oil and extracts from cannabis (including cannabinoid or terpene extracts from any cannabis plant), and (ii) biologically or synthetically synthesized analogs of cannabinoids extracted, using micro-organisms, from any cannabis plant.

“Cannabis Establishment” means the licensed facility at which a Cannabis Licence is permitted to be used by the applicable State Cannabis Authority and all other applicable Government Authorities having jurisdiction to enforce applicable Cannabis Laws.

“Cannabis Laws” means all Laws applicable to the cultivation, ownership, testing, research, development, manufacture, packaging, processing, use, distribution, storage, import, export, sale or disposal of any product manufactured, distributed or sold by FLUENT and its Subsidiaries, other than U.S. Federal Laws.

“Cannabis Licences” means any license or permit issued in the United States by a Governmental Authority that authorizes the cultivation, distribution, manufacturing, transportation, and sale of Cannabis and marijuana products, including without limitation, any specific state-issued licenses and any license issued by the applicable State Cannabis Authority required to operate a Cannabis Establishment, together with any applicable approvals that are required to be obtained from any Governmental Authorities in respect of a change in ownership or control under applicable Cannabis Laws.

“Cansortium Holdings” has the meaning given to it in Schedule F – *“Information Concerning Fluent – General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2025 – Sale of Pennsylvania Operations.”*

“Cansortium Pennsylvania” has the meaning given to it in Schedule F – *“Information Concerning Fluent – General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2025 – Sale of Pennsylvania Operations.”*

“CAOA” has the meaning given to it in Schedule F – *“Information Concerning Fluent – U.S. Regulatory Environment – The Controlled Substances Act.”*

“Cassels” has the meaning given to it under the heading *“The Arrangement – Background to the Arrangement.”*

“CBD” means cannabidiol, a non-psychoactive compound derived from Cannabis sativa.

“CBP” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Risk Factors – Admissibility into the U.S.”*

“CBP Statement” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Risk Factors – Admissibility into the U.S.”*

“CCA” has the meaning given to it under Schedule F – *“U.S. Regulatory Environment – New York – New York Legislative History.”*

“CCB” means the New York State Cannabis Control Board.

“CDS” means CDS Clearing and Depository Services Inc., which acts as nominee for certain Canadian brokerage firms.

“CEO” has the meaning given to it under *“Appendix F-1 – Statement of Executive Compensation.”*

“CFO” has the meaning given to it under *“Appendix F-1 – Statement of Executive Compensation.”*

“Certificate of Arrangement” means the certificate giving effect to the Arrangement endorsed on the Articles of Arrangement to be issued by the Director pursuant to Subsection 183 of the OBCA.

“Change of Control” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Description of Share Capital and Securities – Non-Voting Shares – Change of Control Adjustment.”*

“CIGN” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Legal Proceedings and Regulatory Actions – Legal Proceedings.”*

“CIGN Lease” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Legal Proceedings and Regulatory Actions – Legal Proceedings.”*

“CIGN Matter” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Legal Proceedings and Regulatory Actions – Legal Proceedings.”*

“CIGN Service Agreement” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Legal Proceedings and Regulatory Actions – Legal Proceedings.”*

“Circular” means this management information circular, including all schedules, appendices and exhibits hereto, and information incorporated by reference herein, to be made available by FLUENT to Shareholders in connection with the Meeting, as amended, supplemented or otherwise modified from time to time.

“Cole Memorandum” has the meaning given to it in Schedule F – *“Information Concerning Fluent – U.S. Regulatory Environment – The Controlled Substances Act.”*

“Common Shares” means the common shares in the capital of FLUENT.

“Company Employee Plans” means all employee benefit plans, including within the meaning of Section 3(3) of ERISA (whether or not subject to ERISA), bonus, incentive, severance, pension, retirement, savings, stock purchase, profit sharing, stock option, stock appreciation, phantom stock, termination, change of control, deferred compensation, life insurance, medical, health, welfare, hospital, dental, vision care, drug, sick leave, disability, supplemental income, vacation, employment agreements, compensation, and similar plans, programmes, arrangements or practices relating to any current or former director, officer, consultant or employee of FLUENT or any Subsidiary of FLUENT, other than benefit plans established pursuant to statute, in each case in which FLUENT or any Subsidiary, sponsors, contributes to, or provides benefits under or through such plan, or has any obligation to contribute to or provide benefits under or through such plan.

“Competition Act” means the *Competition Act* (Canada) R.S.C. 1985, c. C-35, as amended, and the regulations promulgated thereunder.

“Congress” means the U.S. congress.

“Consideration” means 0.002351197 Vireo Shares for each Common Share (after conversion of all (i) Proportionate Voting Shares; and (ii) Non-Voting Shares).

“Consideration Shares” means the Vireo Shares to be issued as Consideration pursuant to the Arrangement.

“Contingent Workers” means any natural person independent contractor, consultant, leased employee, or any other servant or agent classified as other than an employee and compensated other than through reportable wages paid by FLUENT or Vireo, as applicable, and reported on a Form W-2 or other Taxable form on which wages are reported.

“Contract” means any contract, agreement, license, franchise, lease, sublease, arrangement, commitment, understanding, joint venture, partnership, note, instrument, or other right or obligation (whether written or oral) to which a Party, or any of its Subsidiaries, is a party or by which a Party, or any of its Subsidiaries, is bound or affected or to which any of their respective properties or assets is subject.

“Controlling Individual” has the meaning given to it under the heading *“Certain Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investment by Registered Plans.”*

“Court” means the Ontario Superior Court of Justice (Commercial List) or other court with jurisdiction to issue the Interim Order and the Final Order.

“CRA” has the meaning given to it under the heading *“Certain Income Tax Considerations – Certain Canadian Federal Income Tax Considerations.”*

“Credit Bid” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – Acquisition of Assets of Schwazze.”*

“CSA” means the United States Controlled Substances Act.

“CSE” means the Canadian Securities Exchange.

“DEA” has the meaning given to it under the heading *“Risk Factors – Risk Factors Relating to the Vireo after the Arrangement.”*

“Depository” means Odyssey Trust Company, in its capacity as the depository under the Arrangement.

“Director” means the Director appointed under section 278 of the OBCA.

“Director Fees” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Interests of Fluent Management and Others in Material Transactions.”*

“Disclosure Letter” means the disclosure letter dated April 29, 2026, regarding the Arrangement Agreement that has been executed by FLUENT and delivered to Vireo concurrently with the execution of the Arrangement Agreement, including all schedules, exhibits and appendices thereto.

“Dissent Notice” has the meaning given to it under the heading *“Rights of Dissenting Shareholders.”*

“Dissent Rights” means the rights of dissent in respect of the Arrangement described in the Plan of Arrangement.

“Dissent Shares” means FLUENT Shares held by a Dissenting Shareholder and in respect of which the Dissenting Shareholder has validly exercised Dissent Rights.

“Dissenting Non-Resident Holder” has the meaning given to it under the heading *“Certain Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Dissenting Non-Resident Holders.”*

“Dissenting Resident Holder” has the meaning given to it under the heading *“Certain Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Dissenting Resident Holders.”*

“Dissenting Shareholder” means a Registered Shareholder who has duly and validly exercised the Dissent Rights and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights and whose Dissent Rights remain valid immediately prior to the Effective Time, but only in respect of FLUENT Shares in respect of which Dissent Rights are validly exercised by such Registered Shareholder.

“DOJ” has the meaning given to it under the heading *“Risk Factors – Risk Factors Relating to the Vireo after the Arrangement.”*

“DPS” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Texas – Compassionate Use Act.”*

“DPSP” has the meaning given to it under the heading *“Certain Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investment by Registered Plans.”*

“DRS Statement” means a direct registration statement issued by a transfer agent evidencing the securities held by a securityholder in book-based form in lieu of a physical share certificate.

“DTC” means The Depository Trust Company.

“Eaze” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – Acquisition of Eaze Inc.”*

“Eaze Merger” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – Acquisition of Eaze Inc.”*

“Effective Date” means the date upon which the Arrangement becomes effective, which will be the date shown in the Certificate of Arrangement.

“Effective Time” means 12:01 a.m. (EDT) on the Effective Date or such other time as agreed to by FLUENT and Vireo in writing.

“Eligible Person” has the meaning given to it under Appendix F-1 – *“Statement of Executive Compensation – Compensation Discussion and Analysis – the FLUENT RSU Plan.”*

“Emergency Rule” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Description of the Business - Florida.”*

“Equity Purchase Agreement” has the meaning given to it in Schedule F – *“Information Concerning Fluent – General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2025 – Sale of Pennsylvania Operations.”*

“Etain” means Etain, LLC, a company governed by the laws of the state of New York and a wholly-owned subsidiary of FLUENT.

“Exchange and Protection Agreement” has the meaning given to it in Schedule F – *“Information Concerning Fluent - General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – The 2024 Arrangement – Hawthorne Notes Exchange.”*

“Fairness Opinion” means the opinion of ATB Cormark to the effect that, as of the date of such opinion, and based upon and subject to the assumptions, limitations and qualifications set forth therein, the Consideration to be received by the Shareholders under the Arrangement is fair, from a financial point of view, to the Shareholders.

“FDA” means the U.S. Food and Drug Administration.

“Final Order” means the final order of the Court approving the Arrangement under Section 182 of the OBCA in a form acceptable to FLUENT and Vireo, each acting reasonably, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement, as such order may be affirmed, amended, modified, supplemented or varied by the Court (with the consent of both FLUENT and Vireo, each acting reasonably) at any time prior to the Effective Date or, if appealed, as affirmed or amended (provided that any such amendment, modification, supplement or variation is acceptable to both FLUENT and Vireo, each acting reasonably) on appeal unless such appeal is withdrawn, abandoned or denied.

“FinCEN” has the meaning given to it in Schedule F – *“Information Concerning Fluent - U.S. Regulatory Environment – Money Laundering Laws.”*

“FinCEN Guidance” has the meaning given to it in Schedule F – *“Information Concerning Fluent - U.S. Regulatory Environment – Money Laundering Laws.”*

“First Credit Agreement” has the meaning given to it in Schedule F – *“Information Concerning Fluent - General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – First Credit Agreement Amendment.”*

“Floor” has the meaning given to it in Schedule F – *“Information Concerning Fluent - General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – The 2024 Arrangement - Smith Transaction.”*

“Floor Entitlement” has the meaning given to it in Schedule F – *“Information Concerning Fluent - General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – The 2024 Arrangement - Smith Transaction.”*

“Floor Expiration Date” has the meaning given to it in Schedule F – *“Information Concerning Fluent - General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – The 2024 Arrangement - Smith Transaction.”*

“Florida Leasing” has the meaning given to it in Schedule F – *“Information Concerning Fluent - General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2023 – Litigation Settlement with MXY Holdings, Inc. and Florida Leasing and Consulting, LLC.”*

“FLUENT” means FLUENT Corp., a corporation incorporated under the laws of the Province of Ontario.

“FLUENT Articles” means the articles of FLUENT, as amended on October 30, 2018, March 13, 2019, December 18, 2024, and February 5, 2025.

“FLUENT Board Recommendation” means the unanimous determination of the Board, after consultation with legal and financial advisors and following receipt and review of the unanimous recommendation of the Special Committee and upon consideration of the Fairness Opinion, that the Arrangement is in the best interests of FLUENT and is fair to the Shareholders and the unanimous recommendation of the Board to Voting Shareholders that they vote in favour of the Arrangement Resolution.

“FLUENT Change of Recommendation” has the meaning given to it under *“Transaction Agreements – The Arrangement Agreement – Termination.”*

“FLUENT Convertible Debenture” means the 10% unsecured convertible debenture in the principal amount of \$3,500,000 dated April 29, 2022, issued by FLUENT to SPC.

“FLUENT Credit Agreement” means that certain Credit Agreement, dated as of November 26, 2024, among FLUENT (formerly Consortium Inc.), Consortium Holdings, Fluent Servicing, and certain affiliates thereof, as borrowers, the other obligors party thereto from time to time, the lenders party thereto from time to time and Chicago Atlantic Admin, LLC, as administrative agent (as amended by that certain First Amendment to Credit Agreement dated as of March 17, 2026 and that certain Consent and Second Amendment to the Credit Agreement dated as of April 17, 2026 and as may be further may be amended, restated, replaced (whether upon or after termination or otherwise, and whether with the original issuing banks and/or lenders or otherwise), refinanced, supplemented, modified or otherwise changed (in whole or in part, and without limitation as to amount, terms, conditions, covenants and other provisions) from time to time).

“FLUENT Credit Equitization” has the meaning given to it under *“Transaction Agreements – FLUENT Credit Equitization Agreement.”*

“FLUENT Credit Equitization Agreement” has the meaning given to it under *“Transaction Agreements – FLUENT Credit Equitization Agreement.”*

“FLUENT Material Contract” means any Contract to which FLUENT or any of its Subsidiaries is party or by which it or any of its assets, rights or properties are bound, that falls within any of the following categories:

- (a) a material contract that FLUENT has filed as part of the FLUENT Public Disclosure Record;

- (b) any supply or purchase Contract that (A) required payments either to or from FLUENT and its subsidiaries of more than \$100,000 in the aggregate in the past twelve (12) months, or (B) is reasonably likely to require payments either to or from FLUENT and its subsidiaries of more than \$100,000 in the aggregate in the next twelve (12) months;
- (c) any partnership, joint venture, strategic alliance, or an arrangement for the sharing of profits or proprietary information or other similar agreement or arrangement that is material to the business of FLUENT or any of its subsidiaries and that relates to the formation, creation, operation, management or control of any partnership, joint venture, strategic alliance, or sharing of profits or proprietary information material to the business of FLUENT or any of its subsidiaries or in which FLUENT or any of its subsidiaries owns more than a twenty percent (20%) voting, economic or other membership or partnership interest, or any interest valued at more than \$150,000 without regard to percentage voting or economic interest;
- (d) any Contract (other than those solely between or among FLUENT and any of its direct or indirect wholly owned subsidiaries) relating to indebtedness for borrowed money of FLUENT or any of its subsidiaries (whether outstanding or as may be incurred);
- (e) is a Contract (other than those solely between or among FLUENT and any of its direct or indirect wholly owned subsidiaries) relating to indebtedness for borrowed money of a third person owed to FLUENT or any of its subsidiaries;
- (f) any hedging, derivative or similar Contract (including interest rate, currency or commodity swap agreements, cap agreements, collar agreements and any similar Contract designed to protect a person against fluctuations in interest rates, currency exchange rates or commodity prices);
- (g) any Contract that: (A) limits in any material respect either the type of business in which FLUENT or any of its subsidiaries (or, after the Effective Time, Vireo or any of its subsidiaries) may engage or the manner or geographic areas in which any of them may so engage in any business. (B) stipulates covenants of any other person not to compete with FLUENT or any of its subsidiaries (or, after the Effective Time, Vireo or any of its subsidiaries) in any type of business or in any geographical area. (C) could require the disposition of any material assets or line of business of FLUENT or any of its subsidiaries. or (D) includes "take or pay" requirements or similar provisions obligating a person to obtain a minimum quantity of goods or services from another person, except as would not be material to FLUENT and its subsidiaries (taken as a whole);
- (h) any Contract with a Governmental Authority for a value in excess of \$100,000;
- (i) except for compensation or other employment arrangements, any Contract between FLUENT or any of its subsidiaries, on the one hand, and (A) any current or former director, (B) current or former chairman, chief executive officer, president, secretary, treasurer or any senior vice-president of FLUENT, (C) any person which, to the knowledge of FLUENT based on the information set out in the Information Circular of FLUENT dated May 7, 2025 (as amended from time to time) beneficially owns one percent or more of the number or the voting power attached to the issued and outstanding FLUENT Shares, on the other hand, or (D) an associate of any such person listed in clause (C) above;
- (j) any Contract that grants any purchase option, right of first refusal or right of first offer or similar right or that limits or purports to limit the ability of FLUENT or any of its subsidiaries to sell, transfer, pledge or otherwise dispose of any material assets or businesses;

- (k) any Contract that gives another person the right to purchase or license an unlimited quantity or volume of, or enterprise-wide scope of use of, FLUENT's products or services (or licenses to FLUENT that person's products or services) for a fixed aggregate price at no additional charge;
- (l) any Contract that contains a put, call or similar right pursuant to which FLUENT or any of its subsidiaries could be required to purchase or sell, as applicable, any equity interests of any person or assets that have a fair market value or purchase price of more than \$100,000;
- (m) any Contract for the employment of, or receipt of any services from, any employee providing for base salary or wage or consulting fees (excluding, for the avoidance of doubt, variable compensation) in excess of \$100,000;
- (n) any employment or consulting Contract which provides for change in control entitlements, or active retention payments in connection with a change of control;
- (o) any agency, broker, sales, marketing, commission, distribution, sales representative, franchise, advertising or similar Contract (1) involving more than \$100,000 in the past twelve (12) months or expected to involve more than \$100,000 within twelve (12) months of the date of the Arrangement Agreement or (2) pursuant to which FLUENT or any of its subsidiaries has granted an exclusive right to sell or distribute any products or services of FLUENT or any of its subsidiaries within any geographic area;
- (p) any collective bargaining agreement or similar Contract with any labour union, works council, labour organization, economic committee, or other employee representative body applicable to any employee of FLUENT or any of its subsidiaries;
- (q) any Contract that contains a change of control provision that modifies the rights of any party to such Contract or requires consent of a party thereto in connection with the transactions contemplated by the Arrangement Agreement;
- (r) any Contract pursuant to which (A) FLUENT or any of its subsidiaries is granted by any other person, or grants to any other person, any license, sublicense, consent to use, settlement, coexistence agreement, covenant not to sue, waiver, release, or permission, whether written or oral, relating to any Intellectual Property owned or used by FLUENT or any of its Subsidiaries in its business, or that assigns to any person, or is assigned by any person, any Intellectual Property rights owned or used by FLUENT or any of its Subsidiaries in its business (other than shrink wrap agreements for off-the-shelf software), or (B) any research or development activities are conducted with respect to any of FLUENT or any of its subsidiaries products and services or any FLUENT Intellectual Property rights;
- (s) any Contracts with the provider of any raw material, intermediate key components or consumable for products of FLUENT or its subsidiaries that is not readily commercially available from other persons at reasonably similar prices and is material to the operations or revenues of FLUENT and its subsidiaries, taken as a whole;
- (t) any Contract providing for the establishment, investment in, organization or formation of any joint venture, limited liability company, partnership or similar entity that creates an exclusive dealing arrangement or right of first offer or refusal that materially limits the business of FLUENT or any of its subsidiaries;
- (u) any shareholders or stockholders agreements, voting trusts, proxies or similar agreements, arrangements or commitments with respect to any shares or other equity interests of

- FLUENT or its subsidiaries or any other Contract relating to disposition, voting or dividends with respect to any shares or other equity securities of FLUENT or any of its subsidiaries;
- (v) any Contract that prohibits or restricts the payment of dividends or distributions in respect of the FLUENT Shares or the shares of any of its subsidiaries or the pledging of the FLUENT Shares or the shares of any of its subsidiaries;
 - (w) any Contract under which FLUENT or any of its subsidiaries has granted any Person registration rights (including demand and piggy-back registration rights) in respect of the FLUENT Shares;
 - (x) any Contract creating a Lien (other than Permitted Liens) upon any material property or assets of FLUENT or any of its subsidiaries, other than purchase money security interests in connection with the acquisition of equipment in the ordinary course of business or that does not encumber any property or asset used by FLUENT or any of its subsidiaries;
 - (y) any FLUENT Lease Documents;
 - (z) any Contract containing a revenue sharing or earnout provision (other than agreements entered into in the ordinary course of business) providing for the payment of bonuses or commissions;
 - (aa) any Contract that provides for the indemnification by FLUENT or any of its subsidiaries of any person (other than Contracts entered into in the ordinary course of business the primary purpose of which is not to provide for the indemnification by FLUENT or any of its subsidiaries of any person) or the assumption of any material Tax, environmental or other liability of any Person; and
 - (bb) any Contract that by its terms is not terminable by FLUENT or its subsidiaries without payment or penalty upon notice of sixty (60) days or less under which FLUENT or any of its subsidiaries is obligated to make payment or incur costs in excess of \$100,000 in any year and which is not otherwise described in clauses (a)–(aa) above;

“FLUENT Option Plan” means the FLUENT Option Plan of FLUENT approved by the Voting Shareholders on August 16, 2023.

“FLUENT Option Plan Resolution” has the meaning given to it under the heading *“Business of the Meeting – Renewal of FLUENT Option Plan.”*

“FLUENT Public Disclosure Record” means all documents filed by or on behalf of FLUENT on SEDAR+ since January 1, 2024 and prior to the date hereof that are publicly available on the date hereof.

“FLUENT RSU Plan” means the restricted share unit award plan of FLUENT dated May 17, 2021, and approved by the Voting Shareholders on August 16, 2023.

“FLUENT RSU Plan Resolution” has the meaning given to it under the heading *“Business of the Meeting – Renewal of FLUENT RSU Plan.”*

“FLUENT Securityholders” means, collectively, the Shareholders, the holders of Options, and the holders of RSUs.

“Fluent Servicing” means Fluent Servicing, LLC, an indirect wholly-owned subsidiary of FLUENT.

“FLUENT Share Exchange” has the meaning given to it under the heading *“Certain Income Tax Considerations – Certain United States Federal Income Tax Considerations.”*

“FLUENT Shares” means the Common Shares, Proportionate Voting Shares, and Non-Voting Shares.

“Fonseca Employment Agreement” has the meaning given to it under *“Regulatory Matters and Approvals – Canadian Securities Law Matters – Interests of Certain Persons or Companies in the Arrangement – Change of Control Provisions.”*

“Form 51-102F6” has the meaning given to under *“Appendix F-1 – Statement of Executive Compensation.”*

“Former Shareholders” means the Shareholders immediately prior to the Effective Time.

“Former Vireo Shareholders” means the Vireo Shareholders immediately prior to the Effective Time.

“Freedom Town” has the meaning given to it under *“Schedule F – Information Concerning Fluent – Description of the Business – Economic Dependence.”*

“FTH License Agreement” has the meaning given to it under *“Schedule F – Information Concerning Fluent – Description of the Business – Economic Dependence.”*

“FTH Management Agreement” has the meaning given to it under *“Schedule F – Information Concerning Fluent – Description of the Business – Economic Dependence.”*

“Glass House” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – Joint Venture with Glass House Brands.”*

“GMP” means good manufacturing practices.

“Good Dog” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – Acquisition of HGC.”*

“Governance and Compensation Committee” means the governance and compensation committee of FLUENT.

“Governmental Authority” means any multinational, federal, provincial, territorial, state, regional, municipal, local or other government or governmental body and any division, agent, official, agency, commission, board or authority of any government, governmental body, quasi-governmental or regulatory body (including the CSE or any other stock exchange) exercising any statutory, regulatory, expropriation or taxing authority under the authority of any of the foregoing and any domestic, foreign or international judicial, quasi-judicial or administrative court, tribunal, commission, board, panel or arbitrator acting under the authority of any of the foregoing. Without limiting the foregoing, “Governmental Authority” includes: (a) any cannabis licensing or regulatory authority with jurisdiction over cannabis operations in the United States, including, as applicable, the State Cannabis Authorities, and any successors or delegated authorities; and (b) any public safety or code enforcement authority with overlapping jurisdiction, including any fire department or fire marshal, building department, health department, planning or zoning authority, and any law enforcement agency or police department, in each case having jurisdiction over the applicable premises, operations, personnel, transportation, security, safety, or compliance matters.

“Growth Equity Awards” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – Amendment to CEO Employment Agreement.”*

“Hawthorne Companies” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – Acquisition of HGC.”*

“Hawthorne Investor Rights Agreement” means the investor rights agreement entered into between FLUENT and The Hawthorne Collective, on December 18, 2024. See *“Voting Shares and Principal Holders – Investor Rights Agreements”* for more information with respect to the Hawthorne Investor Rights Agreement.

“Hawthorne Notes Exchange” has the meaning given to it in Schedule F – *“Information Concerning Fluent - General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – The 2024 Arrangement – Exchange and Protection Agreement.”*

“Hawthorne SPA” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – Acquisition of HGC.”*

“Hawthorne Transaction” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – Acquisition of HGC.”*

“Hemp” or **“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 delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry-weight basis.

“HGC” has the meaning given to it under the heading *“Interest in Meeting Business and Material Transactions.”*

“HHS” has the meaning given to it in Schedule F – *“Information Concerning Fluent - Description of the Business – New York.”*

“HIPAA” means the Health Insurance Portability and Accountability Act.

“HIVE” has the meaning given to it in Schedule F – *“Information Concerning Fluent – General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2025 – Sale of Pennsylvania Operations.”*

“HGC” has the meaning given to it under the heading *“Interest in Meeting Business and Material Transactions.”*

“Holder” has the meaning given to it under *“Certain Canadian Income Tax Considerations – Certain Canadian Federal Income Tax Considerations.”*

“IFRS” means International Financial Reporting Standards as incorporated in the Chartered Professional Accountants of Canada Handbook, at the relevant time applied on a consistent basis.

“IIP-NY” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – New York Property Acquisition.”*

“Incentive Stock Options” has the meaning given to it in Appendix F-1 – *“Statement of Executive Compensation - Compensation Discussion and Analysis – the FLUENT Option Plan.”*

“Indemnified Party” or **“Indemnified Parties”** has the meaning given to it under the heading *“Transaction Agreements – The Arrangement Agreement – Covenants – Insurance and Indemnification.”*

“Initial Floor” has the meaning given to it in Schedule F – *“Information Concerning Fluent - General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – The 2024 Arrangement - Smith Transaction.”*

“Initial Smith Note” has the meaning given to it in Schedule F – *“Information Concerning Fluent - General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – The 2024 Arrangement - Smith Transaction.”*

“Intellectual Property” means domestic, foreign and worldwide: (i) patents, applications for patents and reissues, divisions, continuations, renewals, extensions and continuations-in-part of patents or patent applications, (ii) proprietary and non-public business information, including inventions (whether patentable

or not), invention disclosures, improvements, discoveries, trade secrets, confidential information, know-how, methods, processes, designs, technology, technical data, schematics, formulae and customer lists, and documentation relating to any of the foregoing, (iii) copyrights, copyright registrations and applications for copyright registration, (iv) mask works, mask work registrations and applications for mask work registrations, (v) designs, design registrations, design registration applications and integrated circuit topographies, (vi) trade names, business names, corporate names, domain names, website names and world wide web addresses, common law trade-marks, trade-mark registrations, trade mark applications, trade dress and logos, and the goodwill associated with any of the foregoing, (vii) software, and (viii) any other intellectual property and industrial property.

“Interim Financial Statements” means the unaudited condensed interim consolidated financial statements of FLUENT as at, and for the three months ended March 31, 2026, including the notes thereto.

“Interim MD&A” means the management discussion and analysis of FLUENT for the three months ended March 31, 2026.

“Interim Order” means the interim order of the Court to be issued following the application therefor submitted to the Court pursuant to Section 182 of the OBCA, in form and substance acceptable to FLUENT and Vireo, each acting reasonably, providing for, among other things, the calling and holding of the Meeting, as such order may be affirmed, amended, modified, supplemented or varied by the Court with the consent of both FLUENT and Vireo, each acting reasonably, or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or as amended on appeal.

“Interim Period” has the meaning given to it in Schedule F – *“Information Concerning Fluent - General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – The 2024 Arrangement – Exchange and Protection Agreement.”*

“Intermediary” includes a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary.

“Investment Canada Act” means the *Investment Canada Act* (Canada) and the regulations promulgated thereunder.

“Investor Rights Agreements” has the meaning given to it under *“Voting Shares and Principal Holders – Investor Rights Agreements.”*

“IRS” means the United States Internal Revenue Service.

“KDBF” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Legal Proceedings and Regulatory Actions – Legal Proceedings.”*

“Law” or **“Laws”** means all laws, statutes, codes, ordinances (including zoning), decrees, rules, regulations, by-laws, notices, judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, injunctions, orders, decisions, settlements, writs, assessments, arbitration awards, rulings, determinations or awards, decrees or other requirements of any Governmental Authority having the force of law and any legal requirements arising under the common law or principles of law or equity, including all Cannabis Laws, and the term “applicable” with respect to such Laws and, in the context that refers to any person, means such Laws as are applicable at the relevant time or times to such person or its business, undertaking, property or securities and emanate from a Governmental Authority having jurisdiction over such person or its business, undertaking, property or securities.

“Leased Properties” means each property currently leased, subleased, or licensed by FLUENT or its Subsidiaries from any party, which are listed in the Disclosure Letter.

“Legacy” has the meaning given to it in Schedule F – *“Information Concerning Fluent - General Development of the Business – Three Year History – Recent Developments.”*

“Lender Warrants” has the meaning given to it in Schedule F – *“Information Concerning Fluent - General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – First Credit Agreement Amendment.”*

“Lenders” has the meaning given to it under the heading *“Transaction Agreements – FLUENT Credit Equitization Agreement.”*

“Letter of Transmittal” means the letter of transmittal, to be delivered by Registered Shareholders to the Depository as described therein.

“License Transfer” means any transaction, series of related transactions or other event that constitutes (i) a transfer of a Cannabis Licence or (ii) a transfer of all or any portion of an ownership interest in, control over or other interest of any sort in or to, a Cannabis Establishment or any entity that holds a Cannabis Licence, in each case for which approval, a finding of suitability, registration, filing or notice to the applicable State Cannabis Authority (or other regulatory authority) is required under any applicable Cannabis Laws as amended from time to time.

“Lien” means any pledge, claim, lien, charge, option, hypothec, mortgage, security interest, or any other encumbrance, easement, whether contingent or absolute, direct or indirect, or any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing.

“Litigation” has the meaning given to it under the heading *“Transaction Agreements – The Arrangement Agreement.”*

“LSA” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – Acquisition of Assets of Schwazze.”*

“Management” means FLUENT’s senior management team.

“Material Adverse Effect” means, in relation to a Party, any result, fact, change, effect, event, circumstance, occurrence, condition or development that, individually or taken together with all other results, facts, changes, effects, events, circumstances, occurrences, conditions or developments, has or would reasonably be expected to have a material and adverse effect on the business, results of operations, capitalization, assets, liabilities (including any contingent liabilities), obligations (whether absolute, accrued, conditional or otherwise), or financial condition of Vireo, FLUENT, and their Subsidiaries, individually or taken as a whole, provided, however, that any result, fact, change, effect, event, circumstance, occurrence, condition or development that arises out of, relates directly or indirectly to, results directly or indirectly from or is attributable to any of the following shall not be deemed to constitute, and shall not be taken into account in determining whether a Material Adverse Effect has occurred:

- (a) changes, developments or conditions in or relating to general political, economic or financial or capital market conditions in Canada, the United States or globally;
- (b) any change or proposed change in any Laws or the interpretation, application or non-application of any Laws by a Governmental Authority, in each case after the date hereof, provided, however, that this clause (b) shall not apply to any change in Laws by any State Cannabis Authority that is directed specifically at such Party or any of its subsidiaries or at the transactions contemplated by the Arrangement Agreement and is not generally applicable to other participants in the cannabis industry in the relevant jurisdiction;
- (c) changes or developments in the economic or financial environment affecting the global Cannabis industry in general;
- (d) any outbreak or escalation of hostilities or war or acts of terrorism or any natural disaster or pandemic, epidemic or other outbreak of infectious disease;

- (e) any generally applicable changes in IFRS, U.S. GAAP or regulatory accounting requirements;
- (f) any failure by FLUENT or Vireo to meet any internal or published projections, forecasts, guidance or estimate of revenues, earnings or cash flows (it being understood that the causes underlying such failure may, to the extent not otherwise excluded from this definition, be taken into account in determining whether a Material Adverse Effect has occurred);
- (g) a change in the market price of the Vireo Shares or the Common Shares as a result of the announcement of the execution of the Arrangement Agreement or of the transactions contemplated hereby (it being understood that the causes underlying such change in market price may, to the extent not otherwise excluded from this definition, be taken into account in determining whether a Material Adverse Effect has occurred); or
- (h) the public announcement of the Arrangement Agreement or pendency of the Arrangement or the transactions contemplated hereby;

provided, however, that each of clauses (a) through (e) above shall not apply to the extent that any of the results, facts, changes, effects, events, circumstances, occurrences or developments referred to therein relate primarily to (or have the effect of relating primarily to) FLUENT, Vireo or any Subsidiary or disproportionately affect such Party and its subsidiaries taken as a whole in comparison to other persons who operate in the same geographies and with comparable businesses and provided further, however, that references in certain sections of the Arrangement Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretive for purposes of determining whether a Material Adverse Effect has occurred.

“MD&A” means a management’s discussion and analysis.

“Meeting” means the annual general and special meeting of the Voting Shareholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order for the purpose of considering and, if thought advisable, approving the Arrangement Resolution, the Annual Resolutions, the FLUENT Option Plan Resolution, and the FLUENT RSU Plan Resolution.

“Medical Rescheduling Order” has the meaning given to it in Schedule F – *“Information Concerning Fluent – U.S. Regulatory Environment – The Controlled Substances Act.”*

“MI 61-101” means Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions.

“MMTC” means a Medical Marijuana Treatment Center.

“MMTC License” has the meaning given to it under Schedule F – *“Description of the Business – Florida.”*

“MORE Act” has the meaning given to it in Schedule F – *“Information Concerning Fluent – U.S. Regulatory Environment – The Controlled Substances Act.”*

“MOU” has the meaning given to it under the heading *“The Arrangement – Background to the Arrangement.”*

“MRTA” has the meaning given to it under Schedule F – *“U.S. Regulatory Environment – New York – New York Legislative History.”*

“MSA” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – Management Services Agreement with PharmaCann Inc.”*

“Mundy Employment Agreement” has the meaning given to it under *“Regulatory Matters and Approvals – Canadian Securities Law Matters – Interests of Certain Persons or Companies in the Arrangement – Change of Control Provisions.”*

“MXY” has the meaning given to it in Schedule F – *“Information Concerning Fluent - General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2023 – Litigation Settlement with MXY Holdings, Inc. and Florida Leasing and Consulting, LLC.”*

“NEO” or **“Named Executive Officer”** has the meaning given to it under *“Appendix F-1 – Statement of Executive Compensation.”*

“NI 45-102” means National Instrument 45-102 – *Resale of Securities*.

“NI 52-109” means National Instrument 52-109 – *Certification of Disclosure in Issuers’ Annual and Interim Filings*.

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

“NI 54-101” means National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

“NI 58-101” means National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

“Nominees” has the meaning given to it under the heading *“Business of the Meeting – Election of Directors.”*

“Non-Registered Shareholder” means a non-registered holder of FLUENT Shares.

“Non-Resident Holder” has the meaning given to it under the heading *“Certain Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada.”*

“Non-U.S. Holder” has the meaning given to it under the heading *“Certain Income Tax Considerations – Certain United States Federal Income Tax Considerations.”*

“Non-Voting Shares” means the non-voting, non-participating exchangeable shares of FLUENT.

“Notice of Application” means the amended notice of application to the Court to obtain the Final Order, a copy of which is attached to this Circular at Schedule D.

“Notice of Meeting” means the notice of annual general and special meeting of Shareholders of FLUENT accompanying this Circular.

“NYDOH” has the meaning given to it under Schedule F – *“U.S. Regulatory Environment – New York – New York Legislative History.”*

“NY Property” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – New York Property Acquisition.”*

“NY Purchase Agreement” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – New York Property Acquisition.”*

“NY Seller Note” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – New York Property Acquisition.”*

“OBCA” means the *Business Corporations Act* (Ontario), including the rules and regulations made under it, as it or they may have been or may from time to time be amended, supplemented, re-enacted or superseded.

“OCM” has the meaning given to it in Schedule F – *“Information Concerning Fluent – U.S. Regulatory Environment – New York – New York Legislative History.”*

“Odd Lot” has the meaning given to it under the heading *“Voting Shares and Principal Holders Thereof.”*

“Odyssey” means Odyssey Trust Company, in its capacity as transfer agent of FLUENT.

“offer to pay” has the meaning given to it under the heading *“Rights of Dissenting Shareholders.”*

“OMMU” means the Florida Department of Health, Office of Medical Marijuana Use.

“Operating Agreement” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – Strategic Partnership with Ace Ventures.”*

“Operating Budget” means the operating budget set forth in the Disclosure Letter for the period set forth therein, which, for greater certainty, does not include all of the Transaction Expenses (as may be amended, modified or supplemented from time to time).

“Option Notices” has the meaning given to it under the heading *“Questions and Answers Relating to the Meeting and the Arrangement.”*

“Options” means all options of FLUENT to acquire Common Shares granted pursuant to or otherwise subject to the FLUENT Option Plan.

“Order” means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

“ordinary course of business”, or any similar reference, means, with respect to an action taken or to be taken by any person, that such action is consistent in nature and scope with the past practices of such person (including, with respect to amount and frequency) and is taken in the ordinary course of the normal day-to-day business and operations of such person and, in any case, is not unreasonable or unusual in the circumstances when considered in the context of the provisions of the Arrangement Agreement.

“Outside Date” means March 31, 2027, or such later date as may be agreed to in writing by the Parties provided that if the Effective Date has not occurred by March 31, 2027 as a result of the failure to obtain the U.S. Regulatory Approvals, then the Outside Date shall automatically be extended to the date that is the earlier of (i) two Business Days following the date that is the condition precedent relating to the U.S. Regulatory Approvals is either satisfied or waived, and (ii) June 30, 2027. provided further, notwithstanding the foregoing, the Outside Date shall not automatically be extended if the failure to obtain the U.S. Regulatory Approvals is primarily the result of such Party's failure to comply with its covenants in the Arrangement Agreement.

“Outstanding Issue” has the meaning given to it under the heading *“Business of the Meeting – Renewal of FLUENT Option Plan.”*

“Parties” means FLUENT and Vireo, and **“Party”** means either one of them, as the context requires.

“Party A” has the meaning given to it under the heading *“The Arrangement – Background to the Arrangement.”*

“Party B” has the meaning given to it under the heading *“The Arrangement – Background to the Arrangement.”*

“payment demand” has the meaning given to it under the heading *“Rights of Dissenting Shareholders.”*

“Participants” has the meaning given to it under has the meaning given to it under Appendix F-1 – *“Statement of Executive Compensation – Compensation Discussion and Analysis – the FLUENT RSU Plan.”*

“Participant’s Entitlement Date” has the meaning given to it under has the meaning given to it under Appendix F-1 – *“Statement of Executive Compensation – Compensation Discussion and Analysis – the FLUENT RSU Plan.”*

“PCAOB” means the Public Company Accounting Oversight Board (United States).

“Pennsylvania Equity Interests” has the meaning given to it in Schedule F – *“Information Concerning Fluent – General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2025 – Sale of Pennsylvania Operations.”*

“Permit” means any lease, license, permit, certificate, consent, order, grant, franchise, approval, classification, registration, easement, variance, exception, exemption, certificate, product listing, clearance, or similar authorization of or from any Governmental Authority, including the Cannabis Licences.

“Person” includes an individual, sole proprietorship, corporation, body corporate, incorporated or unincorporated association, syndicate or organization, partnership, limited partnership, limited liability company, unlimited liability company, joint venture, joint stock company, trust, natural person in his or her capacity as trustee, executor, administrator or other legal representative, a government or Governmental Authority or other entity, whether or not having legal status.

“Petition” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Description of the Business - Florida.”*

“PharmaCann” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – Management Services Agreement with PharmaCann Inc.”*

“PharmaCann APA” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – Management Services Agreement with PharmaCann Inc.”*

“PIK Interest” has the meaning given to it in Schedule F – *“Information Concerning Fluent – General Development of the Business – Three Year History – Recent Developments.”*

“Plan of Arrangement” means the plan of arrangement, substantially in the form set out in Schedule B to this Circular, as amended, modified or supplemented from time to time in accordance with the Arrangement Agreement and the Plan of Arrangement or at the direction of the Court in the Final Order, with the consent of FLUENT and Vireo, each acting reasonably.

“Polk Facility” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Description of the Business - Florida.”*

“Pre-Funded Warrant” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Description of the Share Capital and Securities – FLUENT Debenture.”*

“Proceeding” means any court, administrative, regulatory or similar proceeding (whether civil, quasi-criminal or criminal), arbitration or other dispute settlement procedure, investigation or inquiry before or by any Governmental Authority, or any notice, claim, action, suit, demand, arbitration, charge, indictment,

hearing, demand letter or other similar civil, quasi-criminal or criminal, administrative or investigative matter or proceeding, including by any third party.

“Proportionate Voting Shares” means the proportionate voting shares of FLUENT (with each Proportionate Voting Share convertible into 10 Common Shares).

“Proposed Amendments” has the meaning given to it under the heading *“Certain Income Tax Considerations – Certain Canadian Federal Income Tax Considerations.”*

“PVS Offer” has the meaning given to it under the heading *“Voting Shares and Principal Holders Thereof.”*

“Q2 2024 Fees” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Interests of Fluent Management and Others in Material Transactions.”*

“Q2 2025 Fees” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Interests of Fluent Management and Others in Material Transactions.”*

“Q3 2023 Fees” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Interests of Fluent Management and Others in Material Transactions.”*

“Q4 2024 Fees” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Interests of Fluent Management and Others in Material Transactions.”*

“Real Property” means all land, together with all buildings, structures, improvements, and fixtures located therein or thereon, together with all easements, privileges, rights-of-way, benefits, hereditaments and all other rights and interests pertaining, benefiting or appurtenant to them (including air, oil, gas, mineral, and water rights).

“Record Date” means the record date for determining the Shareholders who are entitled to receive notice of and vote at the Meeting, being the close of business on June 12, 2026.

“Registered Plan” has the meaning given to it under the heading *“Certain Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Eligibility for Investment by Registered Plans.”*

“Registered Shareholders” means the persons whose names appear on the register maintained by or on behalf of FLUENT as the owners of FLUENT Shares.

“Regulation S” means Regulation S adopted by the SEC under the U.S. Securities Act.

“Regulatory Approvals” means sanctions, rulings, consents, orders, exemptions, permits, waivers, early termination authorizations, clearances, written confirmations of no intention to initiate legal proceedings and other approvals (including the lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made) of Governmental Authorities, including for greater certainty, the U.S. Regulatory Approvals.

“Representatives” means, collectively, with respect to a Party, that Party’s affiliates and its and their officers, directors, employees, consultants, advisors, agents or other representatives (including lawyers, accountants, investment bankers and financial advisors).

“Research Expansion Act” has the meaning given to it in Schedule F – *“Information Concerning Fluent – U.S. Regulatory Environment – The Controlled Substances Act.”*

“Resident Holder” has the meaning given to it under the heading *“Certain Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada.”*

“Returns” means all returns, reports, declarations, elections, notices, filings, forms, statements and other documents (whether in tangible, electronic or other form) and including any amendments, schedules, attachments, supplements, appendices and exhibits thereto, made, prepared, filed or required to be made, prepared or filed by Law in respect of Taxes.

“RIV Capital” has the meaning given to it in Schedule F – *“Information Concerning Fluent - General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – The 2024 Arrangement - 2024 Arrangement Agreement.”*

“RIV Capital Shares” has the meaning given to it in Schedule F – *“Information Concerning Fluent - General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – The 2024 Arrangement - 2024 Arrangement Agreement.”*

“RO” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Description of the Business – New York.”*

“ROD” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Description of the Business – New York.”*

“Rohrabacher-Farr Amendment” has the meaning given to it in Schedule F – *“Information Concerning Fluent – U.S. Regulatory Environment – The Controlled Substances Act.”*

“Rosa Facility” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Description of the Business - Florida.”*

“Rosa Lease” has the meaning given to it under “Schedule F – *“Information Concerning Fluent - General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – Commercial Lease in Tampa, Florida.”*

“RSA” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – Acquisition of Assets of Schwazze.”*

“RSUs” means all restricted share units of FLUENT outstanding immediately prior to the Effective Time granted pursuant to or otherwise subject to the FLUENT RSU Plan.

“Rule 144” means Rule 144 under the U.S. Securities Act.

“Ruskin Facility” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Description of the Business - Florida.”*

“SAFE Banking Act” has the meaning given to it in Schedule F – *“Information Concerning Fluent – U.S. Regulatory Environment – Money Laundering Laws.”*

“SAFER Banking Act” has the meaning given to it in Schedule F – *“Information Concerning Fluent – U.S. Regulatory Environment – Money Laundering Laws.”*

“Schwazze” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – Acquisition of Assets of Schwazze.”*

“Schwazze APA” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – Acquisition of Assets of Schwazze.”*

“SEC” means the United States Securities and Exchange Commission.

“Securities Act” means the *Securities Act* (Ontario) and the rules, regulations and published policies made thereunder.

“Securities Laws” means the Securities Act and all other applicable Canadian provincial and territorial securities Laws.

“SEDAR+” means the System for Electronic Data Analysis and Retrieval Plus.

“Senior Secured Notes” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – Acquisition of Assets of Schwazze.”*

“Share Consolidation” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – Share Consolidation.”*

“Shareholder Approval” means the approval of the Arrangement Resolution by at least 66 2/3% of the votes cast by Voting Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

“Shareholders” means the holders of FLUENT Shares.

“SMG” has the meaning given to it under the heading *“Interest in Meeting Business and Material Transactions.”*

“Smith Convertible Note” means the 15% secured subordinated convertible promissory note in the principal amount of \$6,500,000 dated November 26, 2024, issued by FLUENT to the Smith Note Holder.

“Smith Group” means, collectively, Can Endeavour LLC, Sage Investing LLC and Endeavour Holdings LLC, all of which are companies owned and/or controlled by William Smith, a director and the Executive Chair of FLUENT.

“Smith Investor Rights Agreement” means the investor rights agreement dated December 19, 2024 among FLUENT, the Smith Group, and William Smith. See *“Voting Shares and Principal Holders – Investor Rights Agreements”* for more information with respect to the Smith Investor Rights Agreement.

“Smith Note Holder” means Can Endeavour LLC.

“Smith Note Payoff Date” means the date on which all obligations under the Smith Convertible Note are paid in full.

“Smith Transaction Agreement” has the meaning given to it in Schedule F – *“Information Concerning Fluent - General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – The 2024 Arrangement - Smith Transaction.”*

“Smith Transaction Termination Agreement” has the meaning given to it in Schedule F – *“Information Concerning Fluent - General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – The 2024 Arrangement - Smith Transaction.”*

“SPC” means Sweetwater Packing Company, Inc.

“Special Committee” means the special committee of independent directors of FLUENT having undertaken a thorough review of, and having carefully considered the terms of the Arrangement and the Arrangement Agreement.

“Spirit Lake” has the meaning given to it under Schedule F – *“Description of the Business – Florida.”*

“State Cannabis Authority” means any state Governmental Authority that regulates FLUENT’s or any of its Subsidiaries’ operation of any Cannabis Establishment.

“Strategic Planning Committee” has the meaning given to it in Schedule F – *“Corporate Governance.”*

“Strategic Transactions” has the meaning given to it in Schedule F – *“Corporate Governance.”*

“Subsidiary” or “subsidiary” has the meaning ascribed thereto in National Instrument 45-106 – *Prospectus Exemptions*.

“Superior Proposal” means a *bona fide* Acquisition Proposal (provided, however, that, for the purposes of this definition, all references to “20%” in the definition of “Acquisition Proposal” shall be changed to “100%”) made in writing on or after the date of the Arrangement Agreement by a person or persons acting jointly (other than Vireo and its affiliates) and which or in respect of which:

- (a) complies with applicable Securities Laws and does not result from a breach of the non-solicitation covenants in the Arrangement Agreement.
- (b) is to acquire no less than all of the outstanding FLUENT Shares not owned by the person or persons or all or substantially all of the assets of FLUENT on a consolidated basis.
- (c) the Board has unanimously determined in good faith, after consultation with its financial advisors and outside legal counsel and following receipt of the unanimous recommendation of the Special Committee, that such Acquisition Proposal would, taking into account all legal, financial, regulatory and other aspects of such Acquisition Proposal and the person or persons making such Acquisition Proposal, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction which is more favourable to the Shareholders from a financial point of view than the Arrangement (taking into account any amendments to the Arrangement Agreement and the Arrangement proposed by Vireo pursuant to the Arrangement Agreement.
- (d) in the case of an Acquisition Proposal that relates to the acquisition of all of the outstanding FLUENT Shares, is made available to all of the Shareholders on the same terms and conditions.
- (e) is not subject to any financing condition and in respect of which it has been demonstrated to the satisfaction of the Board, acting in good faith after consultation with financial advisors and outside legal counsel that adequate arrangements have been made in respect of any financing required to complete such Acquisition Proposal at the time and on the basis set out therein.
- (f) is not subject to any due diligence and/or access condition or similar termination right in favour of the acquiror. and
- (g) the Board has determined in good faith, after consultation with financial advisors and outside legal counsel, is reasonably capable of being completed in accordance with its terms, without undue delay, taking into account all legal, financial, regulatory and other aspects of such Acquisition Proposal and the person or persons making such Acquisition Proposal relative to the legal, financial, regulatory and other aspects of the Arrangement Agreement and the Arrangement.

“Superior Proposal Notice Period” has the meaning given to it in *“Transaction Agreements – The Arrangement Agreement – Acquisition Agreements and Non-Solicitation Covenants.”*

“Support Agreements” means the voting and support agreements dated as of April 29, 2026 between Vireo and the Supporting Shareholders, which agreements provide that such shareholders shall, among other things vote all FLUENT Shares of which they are the registered or beneficial holder or over which they have control or direction, in favour of the Arrangement and not dispose of their FLUENT Shares.

“Supporting Shareholders” means, collectively, each of the directors and executive officers of FLUENT as well as Bad Dog Holdings LLC and the Smith Group, each of which has entered into a Support Agreement.

“Sweetwater Facility” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Description of the Business - Florida.”*

“Tampa Facility” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Description of the Business - Florida.”*

“Tax” or **“Taxes”** means any and all taxes, dues, duties, rates, imposts, fees, levies, other assessments, tariffs, charges or obligations of the same or similar nature, however denominated, imposed, assessed or collected by any Governmental Authority, including all income taxes, including any tax on or based on net income, gross income, income as specifically defined, earnings, gross receipts, capital gains, profits, business royalty or selected items of income, earnings or profits, and specifically including any federal, provincial, state, territorial, county, municipal, local or foreign taxes, state profit share taxes, windfall or excess profit taxes, capital taxes, royalty taxes, production taxes, payroll taxes, health taxes, employment taxes, withholding taxes (including all withholdings on amounts paid to or by the relevant person), sales taxes, use taxes, goods and services taxes, custom duties, value added taxes, ad valorem taxes, excise taxes, alternative or add-on minimum taxes, franchise taxes, gross receipts taxes, licence taxes, occupation taxes, real and personal property taxes, stamp taxes, anti-dumping taxes, countervailing taxes, occupation taxes, environment taxes, transfer taxes, and employment or unemployment insurance premiums, social insurance premiums and worker’s compensation premiums and pension (including Canada Pension Plan) payments, and other taxes, fees, imposts, assessments or charges of any kind whatsoever together with any interest, penalties, additional taxes, fines and other charges and additions that may become payable in respect thereof including any interest in respect of such interest, penalties and additional taxes, fines and other charges and additions, whether disputed or not.

“Tax Act” means the *Income Tax Act* (Canada), as amended, and the regulations promulgated thereunder, as amended.

“taxable capital gain” has the meaning given to it under the heading *“Certain Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Taxation of Capital Gains and Capital Losses.”*

“TCUA” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Texas – Regulatory Framework.”*

“TCUP” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Texas – Regulatory Framework.”*

“Term Loan” has the meaning given to it in Schedule F – *“Information Concerning Fluent - General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – First Credit Agreement Amendment.”*

“Termination Fee” has the meaning given to it in *“Transaction Agreements – The Arrangement Agreement – Termination Fee.”*

“Termination Fee Event” has the meaning given to it in *“Transaction Agreements – The Arrangement Agreement – Termination Fee.”*

“Texas Purchase Agreement” has the meaning given to it in Schedule F – *“Information Concerning Fluent - General Development of the Business – Three Year History – Recent Developments.”*

“Texas Subsidiary” means Consortium Texas, LLC.

“Texas Transaction” has the meaning given to it in Schedule F – *“Information Concerning Fluent - General Development of the Business – Three Year History – Recent Developments.”*

“THC” means delta-9 tetrahydrocannabinol, a naturally occurring compound in raw cannabis plants.

“THC Variants” has the meaning given to it under the heading Schedule F – *“Information Concerning Fluent - Risk Factors – Re-Classification of Cannabis in and Removal of Industrial Hemp from the Controlled Substances Act in the United States.”*

“The Hawthorne Collective” means The Hawthorne Collective Inc., a corporation existing under the laws of the State of Ohio and being a wholly-owned Subsidiary of Bad Dog Holdings LLC, a Delaware limited liability company.

“Transaction Expenses” means all costs, fees, charges, expenses and obligations incurred by or on behalf of FLUENT and its affiliates as of the Effective Time payable to professionals (including, without limitation, lawyers, accountants, and financial advisors retained by FLUENT or any of its affiliates) directly relating to the preparation, execution and performance of the Arrangement Agreement and the Plan of Arrangement (excluding any costs, fees, charges, expenses and obligations incurred in connection with the Regulatory Approvals), including all fees and out of pocket expenses of all such representatives of FLUENT (excluding all broker, finder or investment banker fees, or success fees).

“U.S.” or “United States” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

“U.S. Exchange Act” means the United States Securities Exchange Act of 1934, as amended.

“U.S. Federal Laws” means (i) the U.S. Controlled Substances Act (21 U.S.C. § 801 et seq.) (including any implementing regulations and schedules in effect at the relevant time) or any other U.S. federal law the violation of which is predicated upon a violation of the U.S. Controlled Substances Act; and (ii) any Canadian, U.S. or international anti-money laundering legislation.

“U.S. GAAP” means United States generally accepted accounting principles, adopted by the SEC.

“U.S. Holder” has the meaning given to it under the heading *“Certain Income Tax Considerations – Certain United States Federal Income Tax Considerations.”*

“U.S. Regulatory Approvals” means any consent, approval, order, permit, authorization, registration, declaration, notice requirement; provided such notice is required to be provided in advance of the Effective Date, or filing required to be made with any Governmental Authority (including any State Cannabis Authority) with respect to the Cannabis Licences as set forth in Schedule C to the Arrangement Agreement.

“USRPHC” means a United States real property holding corporation under the U.S. Tax Code.

“U.S. Securities Act” means the United States Securities Act of 1933, as amended.

“U.S. Securities Laws” means federal and state securities legislation of the United States (including, without limitation, the U.S. Securities Act and the U.S. Exchange Act) and all rules, regulations and orders promulgated thereunder.

“U.S. Tax Code” means the United States Internal Revenue Code of 1986, as amended, including the rules and regulations made under it, as it or they may have been or may from time to time be amended, supplemented, re-enacted or superseded.

“U.S. Treasury Regulations” means the treasury regulations under the U.S. Tax Code.

“U.S. Treaty” has the meaning given to it under the heading *“Certain Income Tax Considerations – Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Dividends on Vireo Shares.”*

“Ultimate Sellers” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – Acquisition of Bridgwell Agribusiness LLC.”*

“USDA” means the U.S. Department of Agriculture.

“USRPHC” means a United States real property holding corporation under the U.S. Tax Code.

“Vautrin Employment Agreement” has the meaning given to it under *“Appendix F-1 – Statement of Executive Compensation of Fluent Corp. – Employment, consulting and management agreements.”*

“VHC” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – Acquisition of Assets of Schwazze.”*

“Vireo” means Vireo Growth Inc., a corporation incorporated under the laws of the Province of British Columbia.

“Vireo Annual Financial Statements” has the meaning given to it under the heading *“Questions and Answers Relating to the Meeting and the Arrangement.”*

“Vireo Annual Report” has the meaning given to it in Schedule G – *“Cautionary Note Regarding Forward-Looking Statements.”*

“Vireo Articles” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Description of Share Capital.”*

“Vireo Convertible Note” means the \$10,000,000 convertible note issued by Vireo to Chicago Atlantic Opportunity Finance, LLC, with a second priority interest, that matures on October 2, 2028 with an option to extend for an additional year subject to a 1% extension fee of all Chicago Atlantic Opportunity Finance, LLC loans advanced which is convertible into Vireo Shares by dividing the outstanding principal amount plus all accrued but unpaid interest on the date of such conversion by a conversion price of \$0.625, on a pre-Share Consolidation basis.

“Vireo Health” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – Management Services Agreement with PharmaCann Inc.”*

“Vireo Health of Rocky Mountain” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – Acquisition of Assets of Schwazze.”*

“Vireo Management” has the meaning given to it under the heading *“The Arrangement – Background to the Arrangement.”*

“Vireo Multiple Voting Shares” means the multiple voting shares of Vireo (with each Vireo Multiple Voting Share convertible into 100 Vireo Shares).

“Vireo NY” has the meaning given to it in Schedule G – *“Information Concerning Vireo – Recent Developments – Strategic Partnership with Ace Ventures.”*

“Vireo RSUs” means all restricted share units granted by Vireo pursuant to or otherwise subject to the 2018 Equity Incentive Plan of Vireo last adopted by Vireo in January 2018, the 2019 Equity Incentive Plan of Vireo last approved by Vireo Shareholders on June 21, 2024, and pursuant to employment agreements between individuals and Vireo.

“Vireo Shareholder” means a holder of one or more Vireo Shares or Vireo Multiple Voting Shares.

“Vireo Shares” means the subordinate voting shares in the capital of Vireo.

“Vireo Warrants” means the 15,503,937 warrants of Vireo, each exercisable to acquire one Vireo Share, with a weighted average exercise price of \$0.22 per Vireo Share, on a pre-Share Consolidation basis.

“Voting Shareholder” means a holder of one or more Voting Shares.

“Voting Shares” means the Common Shares and the Proportionate Voting Shares.

“WARN Act” means the U.S. federal Worker Adjustment and Retraining Notification Act or any similar state, local, or foreign law, statute, regulation, or ordinance.

“Zephyr” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Description of the Business – New York – Cultivation and Production.”*

“Zephyr Lease” has the meaning given to it in Schedule F – *“Information Concerning Fluent – Description of the Business – New York – Cultivation and Production.”*

SCHEDULE A

ARRANGEMENT RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

- A. The arrangement (as it may be modified or amended, the “**Arrangement**”) under Section 182 of the *Business Corporations Act* (Ontario) involving FLUENT Corp. (“**FLUENT**”) and its shareholders, all as more particularly described and set forth in the plan of arrangement (as it may be modified or amended, the “**Plan of Arrangement**”) attached as Schedule B to the Management Information Circular of FLUENT dated June 12, 2026 and all transactions contemplated thereby, are hereby authorized, approved and agreed to.
- B. The Arrangement Agreement dated as of April 29, 2026, as amended on June 8, 2026, between FLUENT and Vireo Growth Inc., as it may be further amended from time to time (the “**Arrangement Agreement**”), and the transactions contemplated therein, the actions of the directors of FLUENT in approving the Arrangement and the Arrangement Agreement and the actions of the directors and officers of FLUENT in executing and delivering the Arrangement Agreement and causing the performance by FLUENT of its obligations thereunder are hereby confirmed, ratified, authorized and approved.
- C. Notwithstanding that this resolution has been passed (and the Arrangement approved and agreed to) by shareholders of FLUENT or that the Arrangement has been approved by the Ontario Superior Court of Justice (Commercial List), the directors of FLUENT are hereby authorized and empowered without further approval of any securityholders of FLUENT (i) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or Plan of Arrangement and (ii) not to proceed with the Arrangement at any time prior to the Effective Time (as defined in the Arrangement Agreement).
- D. Any director or officer of FLUENT is hereby authorized, empowered and instructed, acting for, in the name and on behalf of FLUENT, to execute or cause to be executed, under the seal of FLUENT or otherwise, and to deliver or to cause to be delivered, all such other documents and to do or to cause to be done all such other acts and things as in such person’s opinion may be necessary or desirable in order to carry out the intent of the foregoing paragraphs of these resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or the doing of such act or thing.

SCHEDULE B

PLAN OF ARRANGEMENT

PLAN OF ARRANGEMENT UNDER SECTION 182 OF THE *BUSINESS CORPORATIONS ACT (ONTARIO)*

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless the context otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

“affiliate” has the meaning ascribed thereto under the *Securities Act* (Ontario);

“Arrangement” means the arrangement of the Company under Section 182 of the OBCA on the terms and subject to the conditions set forth in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the terms of the Arrangement Agreement and this Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the Purchaser and the Company, each acting reasonably;

“Arrangement Agreement” means the arrangement agreement dated April 29, 2026 between the Company and the Purchaser to which this Plan of Arrangement is attached as Schedule A, together with the Schedules attached thereto, as the same may be amended, supplemented, restated or otherwise modified from time to time in accordance with the terms thereof;

“Arrangement Resolution” means the special resolution to approve the Arrangement, to be substantially in the form of Schedule B to the Arrangement Agreement, to be considered and, if thought advisable, passed at the Company Meeting by (i) two-thirds of the votes cast by the Company Voting Shareholders, voting as a single class, and (ii) if required by applicable Law, a simple majority of the votes cast by the Company Shareholders, in each case voting as a separate class and excluding any votes that are required to be excluded pursuant to MI 61-101;

“Articles of Arrangement” means the articles of arrangement of the Company in respect of the Arrangement to be filed with the Director in compliance with the OBCA after the Final Order is made, which shall include this Plan of Arrangement and otherwise be in form and content satisfactory to the Company and the Purchaser, each acting reasonably;

“Business Day” means a day, other than a Saturday, a Sunday or any other day on which commercial banking institutions in Toronto, Ontario or Minneapolis, Minnesota are authorized or required by applicable Law to be closed;

“Certificate of Arrangement” means the certificate giving effect to the Arrangement endorsed on the Articles of Arrangement to be issued by the Director pursuant to Section 183 of the OBCA;

“Company” means FLUENT Corp., a corporation incorporated under the laws of the Province of Ontario;

“Company Common Shares” means the common shares in the capital of the Company;

“Company Meeting” means the special meeting of the Company Voting Shareholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order for the purpose of considering and, if thought advisable, approving the Arrangement Resolution;

“Company Non-Voting Shares” means the non-voting, non-participating exchangeable shares of the Company;

“Company Option Plan” means the Stock Option Plan of the Company approved by Company Voting Shareholders on August 16, 2023;

“Company Options” means all options of the Company to acquire Company Common Shares granted pursuant to or otherwise subject to the Company Option Plan;

“Company Proportionate Voting Shares” means the proportionate voting shares of the Company (with each Company Proportionate Voting Share convertible into 10 Company Common Shares);

“Company RSU Plan” means the restricted share unit award plan of the Company dated May 17, 2021 and approved by the Company Voting Shareholders on August 16, 2023;

“Company RSUs” means all restricted share units of the Company outstanding immediately prior to the Effective Time granted pursuant to or otherwise subject to the Company RSU Plan;

“Company Shareholder” means a holder of one or more Company Voting Shares or Company Non-Voting Shares;

“Company Shares” means the Company Voting Shares and the Company Non-Voting Shares;

“Company Voting Shareholder” means a holder of one or more Company Voting Shares;

“Company Voting Shares” means the Company Common Shares and the Company Proportionate Voting Shares;

“Consideration Shares” means the Purchaser Subordinate Voting Shares to be issued to the Company Shareholders (other than Dissenting Shareholders) pursuant to the Arrangement, being 0.0705359 of a Purchaser Subordinate Voting Share for each Company Common Share (after conversion of all Company Proportionate Voting Shares and Company Non-Voting Shares into Company Common Shares pursuant to the Arrangement);

“Court” means the Ontario Superior Court of Justice (Commercial List), or other court with jurisdiction to issue the Interim Order and Final Order;

“CSE” means the Canadian Securities Exchange;

“Depository” means Odyssey Trust Company, or any other trust company, bank or other financial institution agreed to in writing by the Company and the Purchaser for the purpose of, among other things, exchanging Company Shares for the Consideration Shares in connection with the Arrangement;

“Director” means the Director appointed pursuant to Section 278 of the OBCA;

“Dissent Rights” has the meaning specified in Section 5.1;

“Dissent Shares” means Company Shares held by a Dissenting Shareholder and in respect of which the Dissenting Shareholder has validly exercised Dissent Rights;

“Dissenting Shareholder” means a registered Company Shareholder who has duly and validly exercised the Dissent Rights in respect of the Arrangement Resolution in strict compliance with the Dissent Rights and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights and whose Dissent Rights remain valid immediately prior to the Effective Time, but only in respect of Company Shares in respect of which Dissent Rights are validly exercised by such registered Company Shareholder;

“Effective Date” means the date shown on the Certificate of Arrangement;

“Effective Time” means 12:01 a.m. (Toronto time) on the Effective Date, or such other time as the Purchaser and the Company may agree to in writing before the Effective Date;

“Final Order” means the final order of the Court approving the Arrangement under Section 182 of the OBCA, in form and substance acceptable to the Company and the Purchaser, each acting reasonably, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement, as such order may be affirmed, amended, modified, supplemented or varied by the Court (with the consent of both the Company and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, as affirmed or amended (provided that any such amendment, modification, supplement or variation is acceptable to both the Company and the Purchaser, each acting reasonably) on appeal unless such appeal is withdrawn, abandoned or denied;

“Former Company Shareholders” means, at and following the Effective Time, the holders of Company Shares immediately prior to the Effective Time;

“Governmental Authority” means any multinational, federal, provincial, territorial, state, regional, municipal, local or other government or governmental body and any division, agent, official, agency, commission, board or authority of any government, governmental body, quasi-governmental or regulatory body (including the CSE or any other stock exchange) exercising any statutory, regulatory, expropriation or taxing authority under the authority of any of the foregoing and any domestic, foreign or international judicial, quasi-judicial or administrative court, tribunal, commission, board, panel or arbitrator acting under the authority of any of the foregoing;

“Interim Order” means the interim order of the Court to be issued following the application therefor submitted to the Court pursuant to Section 182 of the OBCA as contemplated by Section 2.2(b) of the Arrangement Agreement, in form and substance acceptable to the Company and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Company Meeting, as such order may be affirmed, amended, modified, supplemented or varied by the Court at any time prior to the Final Order with the consent of both the Company and the Purchaser, each acting reasonably, or, if appealed, then unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;

“Letter of Transmittal” means the letter of transmittal to be delivered by the Company Shareholders to the Depository as described therein;

“Liens” means any pledge, claim, lien, charge, option, hypothec, mortgage, security interest, or any other encumbrance, easement, whether contingent or absolute, direct or indirect, or any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;

“OBCA” means the *Business Corporations Act* (Ontario), as amended, and the regulations promulgated thereunder, as amended;

“Plan” or **“Plan of Arrangement”** means this plan of arrangement proposed under Section 182 of the OBCA, as amended, modified or supplemented from time to time in accordance with the terms hereof and the terms of the Arrangement Agreement, or at the direction of the Court in the Final Order, with the consent of the Company and the Purchaser, each acting reasonably;

“Purchaser” means Vireo Growth Inc., a corporation incorporated under the laws of the Province of British Columbia;

“Purchaser Subordinate Voting Shares” means the subordinate voting shares of the Purchaser;

“Released Parties” means the Purchaser, the Purchaser’s affiliates, the Company and its subsidiaries and each of their respective present and former directors, officers, employees, auditors, financial advisors and legal counsel;

“Tax Act” means the *Income Tax Act* (Canada), as amended, and the regulations promulgated thereunder, as amended; and

“U.S. Securities Act” means the United States Securities Act of 1933, as amended and the rules and regulations promulgated thereunder.

Any capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Arrangement Agreement. In addition, words and phrases used herein and defined in the OBCA and not otherwise defined herein or in the Arrangement Agreement shall have the same meaning herein as in the OBCA unless the context otherwise requires.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Plan of Arrangement into articles, sections, subsections and subparagraphs and the insertion of headings are for convenience of reference only and shall not affect the construction, meaning or interpretation of this Plan of Arrangement. Unless reference is specifically made to some other document or instrument, all references herein to articles, sections, subsections and subparagraphs are to articles, sections, subsections and subparagraphs of this Plan of Arrangement, and use of the terms “herein”, “hereof” and “hereunder” and similar expressions refer to this Plan of Arrangement and not to any particular article, section or other portion of this Plan of Arrangement.

1.3 Number, Gender and Persons

Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, corporations, funds, unincorporated organizations, trusts, estates, trustees, executors, administrators, legal representatives, governments (including any Governmental Authority), regulatory authorities, syndicate or other entities, whether or not having legal status.

1.4 Date for any Action

In the event that the date on which any action is required to be taken hereunder by any of the parties hereto is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.5 Statutory References

References in this Plan of Arrangement to any statute or sections thereof shall include such statute and all rules and regulations made or promulgated thereunder, as it or they may have been or may from time to time be amended, substituted or re-enacted, unless stated otherwise.

1.6 Currency

In this Plan of Arrangement, unless otherwise stated, all references to sums of money are expressed in lawful money of the United States.

1.7 Governing Law

This Plan of Arrangement shall be governed, including as to validity, interpretation and effect, by the laws of the Province of Ontario and the laws of Canada applicable therein.

1.8 Time

Time shall be of the essence in every matter or action contemplated hereunder. All references to time are to local time, Toronto, Ontario. A period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. on the next Business Day if the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. on the next Business Day if the last day of the period is not a Business Day.

ARTICLE 2 ARRANGEMENT AGREEMENT

2.1 Arrangement Agreement

This Plan of Arrangement constitutes an Arrangement under Section 182 of the OBCA and is made pursuant to, and is subject to the provisions of, the Arrangement Agreement. If there is any inconsistency or conflict between the provisions of this Plan of Arrangement and the provisions of the Arrangement Agreement, the provisions of this Plan of Arrangement shall govern.

2.2 Effect of the Arrangement

At the Effective Time, this Plan of Arrangement and the Arrangement shall, without any further authorization, act or formality on the part of any person, become effective and be binding upon the Purchaser, the Company, the Depositary, all registered and beneficial holders of Company Shares, including Dissenting Shareholders, all registered and beneficial holders of Company Options and Company RSUs outstanding immediately prior to the Effective Time, the registrar and transfer agent in respect of the Company Shares and all other persons.

2.3 Filing of Articles of Arrangement

The Articles of Arrangement and the Certificate of Arrangement shall be filed and issued, respectively, with respect to this Arrangement in its entirety. The Certificate of Arrangement shall be conclusive evidence that the Arrangement has become effective and that each of the provisions in Section 3.1 has become effective in the sequence and at the times set out therein.

ARTICLE 3 ARRANGEMENT

3.1 The Arrangement

Commencing and effective as at the Effective Time, each of the events set out below shall occur and shall be deemed to occur sequentially in the following order without any further act or formality required on the part of any person, except as otherwise expressly provided herein:

- (b) the Company RSU Plan, the Company Option Plan and all agreements relating to the Company RSUs and Company Options shall be terminated and shall be of no further force and effect;
- (c) each Dissent Share shall be and shall be deemed to be transferred by the holder thereof, without any further act or formality on its part, to the Company (free and clear of any Liens of any nature whatsoever) for cancellation and shall be cancelled, and upon such transfer:
 - (i) such Dissenting Shareholder shall cease to be, and shall be deemed to cease to be, the holder of such Dissent Share and to have any rights as a Company Shareholder in respect of such Dissent Share, other than the right to be paid the fair value by the Company for such Dissent Share in accordance with Section 5.1; and

- (ii) such Dissenting Shareholder's names shall be, and shall be deemed to be, removed from the securities register of Company Shareholders maintained by or on behalf of the Company;
- (d) each Company Proportionate Voting Share (other than any Dissent Share) outstanding immediately prior to the Effective Time shall be exchanged with the Company for 10 Company Common Shares, and upon such exchange:
 - (i) each such exchanged Company Proportionate Voting Share shall be cancelled, and the holder of such exchanged Company Proportionate Voting Share shall be removed from the securities register of Company Shareholders maintained by or on behalf of the Company in respect of the Company Proportionate Voting Shares;
 - (ii) each holder of such exchanged Company Proportionate Voting Share shall be entered in the securities register of Company Shareholders maintained by or on behalf of the Company in respect of the Company Common Shares issued to such holder pursuant to this Section 3.1(d); and
 - (iii) the Company shall add an amount to the stated capital account maintained in respect of the Company Common Shares equal to the aggregate "paid-up capital" (within the meaning of the Tax Act) of the Company Proportionate Voting Share immediately prior to the exchange contemplated in this Section 3.1(d);
- (e) each Company Non-Voting Share (other than any Dissent Share) outstanding immediately prior to the Effective Time shall be exchanged with the Company for one Company Common Share, and upon such exchange:
 - (i) each such exchanged Company Non-Voting Share shall be cancelled, and the holder of such exchanged Company Non-Voting Share shall be removed from the securities register of Company Shareholders maintained by or on behalf of the Company in respect of the Company Non-Voting Shares;
 - (ii) each holder of such exchanged Company Non-Voting Share shall be entered in the securities register of Company Shareholders maintained by or on behalf of the Company in respect of the Company Common Shares issued to such holder pursuant to this Section 3.1(e); and
 - (iii) the Company shall add an amount to the stated capital account maintained in respect of the Company Common Shares equal to the aggregate "paid-up capital" (within the meaning of the Tax Act) of the Company Non-Voting Share immediately prior to the exchange contemplated in this Section 3.1(e);
- (f) each Company Share held by a Company Shareholder (excluding (i) any Dissent Share or (ii) any Company Share held by the Purchaser or any of its affiliates) including, for greater certainty, any Company Shares issued pursuant to Section 3.1(d) and Section 3.1(e), shall be and shall be deemed to be transferred and assigned by the holder thereof, without any further act or formality on its part, to the Purchaser (free and clear of any Liens of any nature whatsoever), solely in exchange for the Consideration Shares, less any amounts withheld pursuant to Section 4.5, and upon such exchange:
 - (i) each Company Shareholder of such exchanged Company Share shall cease to be, and shall be deemed to cease to be, the holder thereof and to have any rights as a Company Shareholder other than the right to receive the Consideration Shares issuable in respect of such Company Share in accordance with this Plan of Arrangement;

- (ii) the name of each such Company Shareholder shall be, and shall be deemed to be, removed from the securities register of Company Shareholders maintained by or on behalf of the Company; and
- (iii) the Purchaser shall be, and shall be deemed to be, the legal and beneficial owner of such transferred Company Shares and will be entered in the Company's securities register for the Company Shares as the sole holder thereof.

The exchanges and cancellations provided for in this Section 3.1 will be deemed to occur on the Effective Date, notwithstanding that certain of the procedures related thereto are not completed until after the Effective Date.

ARTICLE 4 CERTIFICATES AND PAYMENTS

4.1 Payment and Delivery of Consideration Shares

- (a) Upon surrender to the Depositary by a registered Former Company Shareholder for cancellation of a certificate or direct registration statement (DRS) advice which immediately prior to the Effective Time represented one or more outstanding Company Shares held by such Former Company Shareholder immediately before the Effective Time, together with a duly completed and executed Letter of Transmittal and any such additional documents and instruments as the Depositary may reasonably require, the Former Company Shareholder represented by such surrendered certificate or DRS advice shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such Former Company Shareholder, the certificate(s) or DRS advice recorded on a book-entry basis representing the Consideration Shares that such Former Company Shareholder has the right to receive under this Plan of Arrangement for such Company Shares, less any amounts withheld pursuant to Section 4.5, and any certificate or DRS advice so surrendered shall forthwith be cancelled.
- (b) After the Effective Time and until surrendered for cancellation as contemplated by Section 4.1(a), each certificate or DRS advice, if any, that immediately prior to the Effective Time represented one or more Company Shares (other than Dissent Shares or Company Shares held by the Purchaser or any of its affiliates) shall be deemed after the Effective Time to represent only the right to receive in exchange therefor the Consideration Shares that the holder of such certificate or DRS advice is entitled to receive in accordance with Section 3.1, less any amounts withheld pursuant to Section 4.5.

4.2 Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Company Shares that were transferred to the Purchaser pursuant to Section 3.1(f) shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed, the Depositary will deliver or make available for pick up at its offices in exchange for such lost, stolen or destroyed certificate, the Consideration Shares deliverable in accordance with such holder's duly completed and executed Letter of Transmittal less any amounts withheld pursuant to Section 4.5. When authorizing such delivery in exchange for any lost, stolen or destroyed certificate, the person to whom such Consideration Shares is to be delivered shall as a condition precedent to the delivery of such Consideration Shares, give a bond satisfactory to the Purchaser and the Depositary (each acting reasonably) in such sum as the Purchaser may direct, or otherwise indemnify the Depositary, the Purchaser and the Company in a manner satisfactory to the Depositary, the Purchaser and the Company, each acting reasonably, against any claim that may be made against the Depositary, the Purchaser and the Company with respect to the certificate alleged to have been lost, stolen or destroyed.

4.3 No Fractional Purchaser Subordinate Voting Shares

In no event shall any holder of Company Shares be entitled to a fractional Purchaser Subordinate Voting Share. Where the aggregate number of Consideration Shares to be issued to a Company Shareholder under this Plan of Arrangement would result in a fraction of a Purchaser Subordinate Voting Share being issuable, the number of Purchaser Subordinate Voting Shares to be received by such Company Shareholder shall be rounded to the nearest whole Purchaser Subordinate Voting Share without any additional compensation.

4.4 Post-Effective Time Dividends and Distributions

All dividends and distributions made after the Effective Time with respect to any Purchaser Subordinate Voting Shares allotted and issued pursuant to this Arrangement but for which a certificate has not been issued shall be paid or delivered to the Depositary to be held by the Depositary in trust for the holder of such Purchaser Subordinate Voting Shares. All monies received by the Depositary shall be invested by it in interest-bearing trust accounts upon such terms as the Depositary may reasonably deem appropriate. Subject to this Section 4.4, the Depositary shall pay and deliver to any such holder, as soon as reasonably practicable after application therefor is made by such holder to the Depositary in such form as the Depositary may reasonably require, such dividends and distributions and any interest thereon to which such holder is entitled pursuant to the Arrangement, net of any applicable withholding and other taxes.

4.5 Withholding Rights

- (a) The Company, the Purchaser or the Depositary, as applicable, will be entitled to deduct and withhold from any consideration payable or deliverable to any person under this Plan of Arrangement (including, without limitation, any payments to Dissenting Shareholders), such amounts as the Company, the Purchaser or the Depositary, as applicable, is required to deduct and withhold, or reasonably believe to be required to deduct and withhold, with respect to such payment or delivery under any provision of any Laws in respect of Taxes. For the purposes hereof, all such deducted and withheld amounts shall be treated for all purposes under this Plan of Arrangement as having been paid to the person in respect of which such deduction and withholding was made on account of the obligation to make payment to such person hereunder, provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Authority by or on behalf of the Company, the Purchaser or the Depositary, as applicable.
- (b) Each of the Company, the Purchaser or the Depositary, as applicable, is hereby authorized to sell or otherwise dispose of such portion of Purchaser Subordinate Voting Shares payable as Consideration Shares as is necessary to provide sufficient funds to the Company, the Purchaser or the Depositary, as applicable, to enable it to implement such deduction or withholding, and the Company, the Purchaser or the Depositary will notify the holder thereof and remit to the holder any unapplied balance of the net proceeds of such sale. In addition to the foregoing, with the consent of the Purchaser, acting reasonably, the Company, the Purchaser or the Depositary may enter into such other arrangements with any Company Shareholder and any other person under this Plan of Arrangement as will enable the Purchaser, the Company or the Depositary, as the case may be, to satisfy any deduction, withholding and remittance obligations of the Purchaser, the Company or the Depositary, as the case may be, arising under this Plan of Arrangement or the Arrangement Agreement.

4.6 Extinction of Rights

If any Former Company Shareholder fails to deliver to the Depositary the certificates, documents or instruments required to be delivered to the Depositary under Section 4.1 or Section 4.2 in order for such Former Company Shareholder to receive the Consideration Shares which such former holder is entitled to

receive pursuant to Section 3.1, on or before the sixth anniversary of the Effective Date, on the sixth anniversary of the Effective Date: (a) any Consideration Shares to which such former holder would otherwise have been entitled to receive, together with any distributions or dividends such holder would otherwise have been entitled to receive pursuant to Section 4.4, shall be deemed to have been surrendered for no consideration to the Purchaser, and (b) any certificate or DRS advice representing Company Shares formerly held by such Former Company Shareholder will cease to represent a claim or interest of any nature whatsoever. None of the Company, the Purchaser or any of their respective successors, will be liable to any person in respect of any Consideration Shares (including any consideration previously held by the Depositary in trust for any such Former Company Shareholder) which is forfeited to the Purchaser or delivered to any public official pursuant to any applicable abandoned property, escheat or similar law.

4.7 No Liens

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens or other claims of third parties of any kind.

4.8 Paramountcy

From and after the Effective Time: (a) this Plan of Arrangement shall take precedence and priority over any and all Company Shares, Company Options and Company RSUs issued prior to the Effective Time; (b) the rights and obligations of the holders of Company Shares (other than the Purchaser or any of its affiliates), Company Options and Company RSUs, the Company, the Purchaser, the Depositary and any transfer agent or other depositary therefor in relation thereto, shall be solely as provided for in this Plan of Arrangement; and (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Company Shares, Company Options or Company RSUs shall be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

ARTICLE 5 DISSENTING SHAREHOLDERS

5.1 Dissent Rights

- (a) In connection with the Arrangement, each registered Company Shareholder may exercise rights of dissent ("**Dissent Rights**") with respect to the Company Shares held by such Company Shareholder in connection with the Arrangement pursuant to and in the manner set forth in Section 185 of the OBCA, as modified by the Interim Order and this Section 5.1; provided that, notwithstanding Section 185(6) of the OBCA, the written objection to the Arrangement Resolution contemplated by Section 185(6) of the OBCA must be received by the Company not later than 5:00 p.m. (Toronto time) at least two Business Days immediately preceding the date of the Company Meeting (as it may be adjourned or postponed from time to time). Dissenting Shareholders who duly exercise such Dissent Rights and who are:
 - (i) ultimately determined to be entitled to be paid fair value from the Company for the Dissent Shares in respect of which they have exercised Dissent Rights (A) shall be deemed not to have participated in the transactions contemplated by the Arrangement (other than pursuant to Section 3.1(c)), and (B) notwithstanding anything to the contrary contained in the OBCA, shall be deemed to have irrevocably transferred such Dissent Shares to the Company (free and clear of any Liens) to be cancelled pursuant to Section 3.1(c), and shall receive in consideration thereof such fair value to be paid by the Company with Company funds, which fair value, notwithstanding anything to the contrary contained in the OBCA, shall be determined as of the close of business on the Business Day immediately preceding the date on which the Arrangement Resolution was adopted, and shall not be entitled to any other payment or consideration, including any payment or consideration that such Dissenting

Shareholder would have been entitled to receive under the Arrangement had they not exercised Dissent Rights in respect of such Dissent Shares; or

- (ii) ultimately not entitled, for any reason, to be paid by the Company the fair value for their Dissent Shares, shall be deemed to have participated in the Arrangement in respect of those Company Shares on the same basis as a non-dissenting Company Shareholder and shall be entitled to receive only the Consideration Shares from the Purchaser in the same manner as such non-dissenting Company Shareholders.
- (b) In no event shall the Purchaser or its affiliates pay, or be required to pay, any consideration in respect of Dissent Shares other than the Consideration Shares as provided in Section 5.1(a)(ii).
- (c) In no event shall the Purchaser or the Company or any other person be required to recognize a Dissenting Shareholder as a registered or beneficial owner of Company Shares or any interest therein (other than the rights set out in this Section 5.1) at or after the Effective Time, and as at the Effective Time the names of such Dissenting Shareholders shall be deleted from the securities register of the Company, and each Dissenting Shareholder shall cease to be entitled to the rights of a Company Shareholder in respect of Company Shares in relation to which such Dissenting Shareholder has exercised Dissent Rights as and from the Effective Time.
- (d) For greater certainty, in addition to any other restrictions in the Interim Order and under Section 185 of the OBCA, none of the following shall be entitled to exercise Dissent Rights: (i) Company Shareholders who vote or have instructed a proxyholder to vote such Company Shares in favour of the Arrangement Resolution (but only in respect of such Company Shares); and (ii) holders of Company Options or Company RSUs.

ARTICLE 6 AMENDMENTS

6.1 Amendments

- (a) The Purchaser and the Company reserve the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that any such amendment, modification or supplement must be agreed to in writing by each of the Purchaser and the Company (each acting reasonably) and filed with the Court, and, if made following the Company Meeting, then: (i) approved by the Court; and (ii) communicated to or approved by the Company Shareholders if and as required by the Court.
- (b) Any amendment, modification or supplement to this Plan of Arrangement pursuant to Section 6.1(a), if agreed to by the Purchaser and the Company (each acting reasonably), may be proposed by the Purchaser or the Company at any time prior to or at the Company Meeting, with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Company Meeting (other than as may be required under the Interim Order) shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Company Meeting will be effective only if: (i) it is agreed to in writing by each of the Purchaser and the Company (each acting reasonably); and (ii) if required by the Court, it is consented to by some or all of the Company Shareholders voting in the manner directed by the Court.

- (d) Any amendment, modification or supplement to this Plan of Arrangement may be made by the Purchaser and the Company without the approval of or communication to the Court or the Company Shareholders, provided that it concerns a matter which, in the reasonable opinion of the Purchaser and the Company is of an administrative or ministerial nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any of the Company, the Purchaser or any Company Shareholder.

ARTICLE 7 FURTHER ASSURANCES

7.1 Further Assurances

Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Company and the Purchaser shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to implement this Plan of Arrangement and to further document or evidence any of the transactions or events set out in this Plan of Arrangement.

ARTICLE 8 U.S. SECURITIES LAW EXEMPTION

8.1 U.S. Securities Law Exemptions

Notwithstanding any provision herein to the contrary, the Company and the Purchaser each agree that the Plan of Arrangement will be carried out with the intention that, and they will use their commercially reasonable best efforts to ensure that, all Consideration Shares issued under the Arrangement will be issued by the Purchaser in exchange for Company Shares (including, for greater certainty, any Company Shares issued pursuant to Section 3.1(d) and Section 3.1(e)) outstanding immediately prior to the Effective Time, pursuant to the Plan of Arrangement, whether in the United States, Canada or any other country, in reliance on the exemption from the registration requirements of the U.S. Securities Act, as provided by Section 3(a)(10) thereof and applicable state securities laws, and pursuant to the terms, conditions and procedures set forth in the Arrangement Agreement.

ARRANGEMENT AGREEMENT AMENDMENT

THIS AMENDMENT (this “**Amendment**”) is made as of June 8, 2026.

BETWEEN:

VIREO GROWTH INC., a corporation incorporated under the laws of the Province of British Columbia

(the “**Purchaser**”)

AND:

FLUENT CORP., a corporation incorporated under the laws of the Province of Ontario

(the “**Company**”, and together with the Purchaser, the “**Parties**”).

WHEREAS:

- A. On April 29, 2026, the Parties entered into an arrangement agreement (the “**Arrangement Agreement**”), pursuant to which, and subject to the conditions set out in the Plan of Arrangement attached thereto (the “**Plan of Arrangement**”), the Purchaser agreed to acquire all of the issued and outstanding shares of the Company under a court approved arrangement under Section 182 of the *Business Corporations Act* (Ontario) (the “**Arrangement**”);
- B. On May 29, 2026, the Purchaser’s shareholders authorized a resolution to permit the Purchaser Board to proceed with a share consolidation of the Purchaser Shares on the basis of not less than 20-for-1 and not more than 40-for-1 with the exact ratio of the share consolidation to be determined by the Purchaser Board and on June 1, 2026, the Purchaser Board approved the share consolidation ratio of 30-for-1, such share consolidation of the Purchaser Shares effective at market open on June 5, 2026 (the “**Consolidation**”);
- C. As a result of the Consolidation and in accordance with Section 2.16 of the Arrangement Agreement, the Consideration Shares to be paid per Company Common Share has been adjusted to provide to Company Shareholders the same economic effect as contemplated by the Arrangement Agreement and the Plan of Arrangement prior to the Consolidation;
- D. The Company and the Purchaser wish to enter into this Amendment to amend certain provisions of the Arrangement Agreement and the Plan of Arrangement, in accordance with Section 8.8 of the Arrangement Agreement and Section 6.1 of the Plan of Arrangement, as contemplated herein; and

- E. All capitalized terms used in this Amendment but not defined herein shall have the meaning attributed to such terms in the Arrangement Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby confirm, acknowledge and agree as follows:

Amendments to the Arrangement Agreement

1. The definition of “Consideration Shares” in Section 1.1 of the Arrangement Agreement is hereby deleted in its entirety, and replaced with the following:

“**Consideration Shares**” means the Purchaser Subordinate Voting Shares to be issued to the Company Shareholders (other than Dissenting Shareholders) pursuant to the Arrangement, being 0.002351197 of a Purchaser Subordinate Voting Share for each Company Common Share (after conversion of all Company Proportionate Voting Shares and Company Non-Voting Shares into Company Common Shares pursuant to the Arrangement);

2. The definition of “Consideration Shares” in Section 1.1 of the Plan of Arrangement is hereby deleted in its entirety, and replaced with the following:

“**Consideration Shares**” means the Purchaser Subordinate Voting Shares to be issued to the Company Shareholders (other than Dissenting Shareholders) pursuant to the Arrangement, being 0.002351197 of a Purchaser Subordinate Voting Share for each Company Common Share (after conversion of all Company Proportionate Voting Shares and Company Non-Voting Shares into Company Common Shares pursuant to the Arrangement);

3. Section 4.3 (No Fractional Purchaser Subordinate Voting Shares) of the Plan of Arrangement is hereby deleted in its entirety, and replaced with the following

In no event shall any holder of Company Shares be entitled to a fractional Purchaser Subordinate Voting Share. Where the aggregate number of Consideration Shares to be issued to a Company Shareholder under this Plan of Arrangement would result in a fraction of a Purchaser Subordinate Voting Share being issuable, the number of Purchaser Subordinate Voting Shares to be received by such Company Shareholder shall be rounded down to the nearest whole Purchaser Subordinate Voting Share without any additional compensation.

General Matters

4. Except for the amendments contemplated in this Amendment, no other amendments to the Arrangement Agreement or the Plan of Arrangement will be made by the Parties pursuant to this Amendment, and the Arrangement Agreement and the Plan of Arrangement shall otherwise remain in full force and effect on identical terms and conditions.

5. This Amendment may be executed and delivered in any number of counterparts (including by electronic transmission), each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.
6. This Amendment shall be governed, including as to validity, interpretation and effect, by the laws of the Province of Ontario and the laws of Canada applicable therein. Each of the Parties hereby irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Ontario in respect of all matters arising under and in relation to this Amendment and waives, to the fullest extent possible, the defence of an inconvenient forum or any similar defence to the maintenance of proceedings in such courts.
7. This Amendment is binding upon and will enure to the benefit of each Party and its respective successors and permitted assigns.

[Signature page follows]

IN WITNESS WHEREOF the Parties have executed this Amendment as of the date first written above.

VIREO GROWTH INC.

By: "Tyson MacDonald"
Name: Tyson MacDonald
Title: Chief Financial Officer

FLUENT CORP.

By: "David Vautrin"
Name: David Vautrin
Title: Interim Chief Executive Officer

C-1

SCHEDULE C
FAIRNESS OPINION

See Attached.

April 29, 2026

Special Committee of the Board of Directors and the Board of Directors

FLUENT Corp.

5540 W. Executive Drive, Ste. 100

Tampa, Florida

33609

To the Special Committee of the Board of Directors and the Board of Directors of FLUENT Corp.:

ATB Capital Markets Corp. ("ATB Cormark", "we" or "us") understands that FLUENT Corp. ("FLUENT") and Vireo Growth Inc. ("Vireo") propose to enter into an agreement (the "Arrangement Agreement") that contemplates a plan of arrangement (the "Arrangement"), pursuant to which Vireo will, among other things, acquire all of the issued and outstanding common shares of FLUENT (the "Common Shares") (after conversion of all (i) proportionate voting shares of FLUENT (the "Proportionate Voting Shares") and (ii) non-voting, non-participating exchangeable shares of FLUENT (the "Non-Voting Shares", together with the Common Shares and Proportionate Voting Shares, the "FLUENT Shares")) in exchange for subordinate voting shares of Vireo ("Vireo Shares", and the transaction contemplated by the Arrangement Agreement, the "Transaction"). In accordance with the terms of the Arrangement, each holder of Common Shares shall receive 0.0705359 of a Vireo Share in exchange for each Common Share held (the "Consideration"). The terms of the Arrangement will be more fully described in a management information circular of FLUENT (the "Circular"), which will be mailed or made available to holders of the Common Shares and Proportionate Voting Shares (the "FLUENT Shareholders") in connection with the Arrangement.

ATB Cormark further understands that the board of directors (the "Board") of FLUENT has formed a special committee comprised of independent directors (the "Special Committee") to consider the Transaction and make recommendations thereon to the Board. The Special Committee has retained ATB Cormark to provide advice and assistance to the Special Committee (on behalf of itself and the Board) in evaluating the Transaction, including the preparation and delivery, to the Special Committee and the Board, of ATB Cormark's opinion (the "Fairness Opinion") as to the fairness, from a financial point of view, of the Consideration to be received by FLUENT Shareholders pursuant to the Arrangement.

ATB Cormark also understands that certain directors and officers of FLUENT and major FLUENT Shareholders including Bad Dog Holdings LLC and William M. Smith intend on entering into voting support agreements with Vireo, pursuant to which, among other things, they will agree to vote their FLUENT Shares in favour of the Arrangement.

In rendering this Fairness Opinion, we have assumed that the Transaction is neither a "related party transaction" nor an "insider bid" as defined in Multilateral Instrument 61-101-*Protection of Minority Security Holders in Special Transactions* ("MI 61-101"), and, accordingly, the Transaction is not subject to the valuation requirements under MI 61-101. This Fairness Opinion does not constitute an independent formal valuation for the purposes of MI 61-101.

ENGAGEMENT OF ATB CORMARK

The Special Committee first contacted ATB Cormark in respect of a potential transaction in January 2026. ATB Cormark was formally engaged by the Special Committee pursuant to an engagement agreement dated February 2, 2026 (the “Engagement Agreement”) to act as financial advisor to the Special Committee in respect of the Transaction and provide such advisory services in connection with the Transaction including, among other things, the provision of an opinion as to the fairness, from a financial point of view, of the Consideration to be received by FLUENT Shareholders pursuant to the Arrangement.

The Engagement Agreement provides that ATB Cormark will receive a fixed fee for rendering the Fairness Opinion, which is payable on delivery of the Fairness Opinion regardless of the conclusions reached and which fee is not conditional on completion of the Arrangement, as well as an additional advisory fee that is not conditional on completion of the Arrangement. The Engagement Agreement also provides that FLUENT will reimburse ATB Cormark for its reasonable and documented out-of-pocket expenses and will, in certain circumstances, indemnify ATB Cormark against certain expenses, losses, damages and liabilities incurred in connection with the provision of its services.

Subject to the terms of the Engagement Agreement, ATB Cormark consents to the distribution of this Fairness Opinion to the FLUENT Shareholders in the Circular and in connection with all applicable court proceedings and materials necessary to obtain required court approvals to implement the Arrangement. Except as aforesaid and as provided for in the Engagement Agreement, this Fairness Opinion may not be summarized, published, reproduced, disseminated, quoted from or referred to without the express written consent of ATB Cormark.

ATB Cormark has not prepared a valuation of FLUENT or Vireo or any of their respective securities or assets and this Fairness Opinion should not be construed as such.

This Fairness Opinion has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of the Canadian Investment Regulatory Organization (“CIRO”) but CIRO has not been involved in the preparation or review of this Fairness Opinion.

CREDENTIALS OF ATB CORMARK

ATB Cormark is a Canadian investment banking firm with operations across a broad range of financial services, including corporate finance, mergers and acquisitions, equity and debt capital markets, sales and trading, and investment research. ATB Cormark and its senior investment banking professionals have participated in a significant number of transactions involving public and private companies and have extensive experience in preparing valuations and fairness opinions.

This Fairness Opinion is the opinion of ATB Cormark and its form and content have been approved by a committee of senior investment banking professionals of ATB Cormark, each of whom is experienced in merger, acquisition, divestiture, valuation and fairness opinion matters.

INDEPENDENCE OF ATB CORMARK

Neither ATB Cormark, nor any of its affiliates or associates is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario) (the “**Act**”) of FLUENT or Vireo, or any of their respective associates, affiliates and or controlling entities (collectively, the “Interested Parties”). Neither ATB Cormark nor any of its affiliates or associates has been engaged to provide financial advisory services to any Interested Party nor has it participated in

any financing involving any of the Interested Parties in the 24 months preceding the date on which ATB Cormark was first contacted with respect to its engagement by the Special Committee, other than:

- provided services to the Special Committee pursuant to the Engagement Agreement;
- financial advisor to FLUENT for its acquisition of RIV Capital Inc., which closed on December 19, 2024; and
- on March 17, 2025, Chicago Atlantic Real Estate Finance, Inc., a related party to Vireo, issued a Prospectus Supplement No. 1 to the Prospectus dated January 19, 2023 and Prospectus Supplement dated June 20, 2023 for a renewed at-the-market equity offering program of up to \$100 million in common shares of Chicago Atlantic Real Estate Finance, Inc., for which ATB Cormark is included as a sales agent. As of the date hereof, ATB Cormark has not actively participated in selling any shares under the program nor has receive any fees.

Other than as set forth above, or that may arise as a result of the Engagement Agreement, there are no understandings or agreements between ATB Cormark and any of the Interested Parties with respect to future financial advisory or investment banking business. ATB Cormark may in the future, in the ordinary course of its business, perform financial advisory or investment banking services for any of the Interested Parties. ATB Financial, the parent company of ATB Cormark, may provide, in the future, in the ordinary course of business, banking services including loans to any of the Interested Parties.

ATB Cormark acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have and may in the future have positions in the securities of one or more of the Interested Parties and, from time to time, may have executed or may execute transactions on behalf of one or more of the Interested Parties or other clients for which it may have received or may receive compensation. As an investment dealer, ATB Cormark conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including matters with respect to the Arrangement, or any of the Interested Parties.

The fees payable to ATB Cormark in connection with the foregoing, and including the Engagement Agreement and this Fairness Opinion, are not financially material to ATB Cormark.

SCOPE OF REVIEW

In considering the fairness, from a financial point of view, of the Consideration to be received by FLUENT Shareholders pursuant to the Arrangement, ATB Cormark principally considered and relied upon the following approaches: (i) sum-of-the-parts analyses; (ii) discounted cash flow analyses; (iii) selected publicly traded companies analyses; (iv) historical relative trading; and (v) other analyses and quantitative and qualitative measures of FLUENT.

In connection with this Fairness Opinion, ATB Cormark reviewed and relied upon (without attempting to independently verify the completeness or accuracy of), among other things, the following:

- a) The executed non-binding Memorandum of Understanding between FLUENT and Vireo dated March 7, 2026;
- b) The draft Plan of Arrangement and Arrangement Agreement provided to ATB Cormark on April 28, 2026;
- c) The draft Credit Equitization Agreement in connection with FLUENT's senior secured credit agreement provided to ATB Cormark on April 27, 2026;

- d) The draft Voting and Support Agreements to be entered into between Vireo and certain directors, executive officers and major FLUENT Shareholders including Bad Dog Holdings LLC and William M. Smith provided to ATB Cormark on April 27, 2026;
- e) The unaudited interim consolidated financial statements of FLUENT for the three and nine months ended September 30, 2025 and September 30, 2024 and the management discussion and analysis related thereto;
- f) The preliminary financial results of FLUENT for the year ended December 31, 2025 provided by or on behalf of the management of FLUENT to ATB Cormark on March 23, 2026;
- g) The annual report on Form 10-K of Vireo for the fiscal year ended December 31, 2025;
- h) Other public filings of FLUENT and Vireo available on their respective company profiles on SEDAR+ and available on EDGAR, including but not limited to certain press releases issued by FLUENT and Vireo;
- i) Certain publicly available information relating to the business, operations, financial condition and trading history of FLUENT, Vireo and other selected public companies ATB Cormark considered relevant;
- j) Certain internal financial, operating, corporate and other information prepared or provided by or on behalf of FLUENT and Vireo relating to the business, operations and financial condition of FLUENT and Vireo, respectively;
- k) Internal management models, forecasts, projections, estimates and budgets prepared or provided by or on behalf of management of FLUENT and Vireo;
- l) Discussions with management of FLUENT relating to FLUENT's current stand-alone business plan, financial condition, industry outlook and prospects and other issues considered relevant;
- m) Q&A with Vireo relating to Vireo's current stand-alone business plan (including organic and inorganic growth plan), financial condition, industry outlook and other issues considered as relevant;
- n) Certain other non-public information in respect of FLUENT and Vireo, including information provided to ATB Cormark through data rooms of FLUENT and Vireo;
- o) Public information with respect to selected precedent transactions ATB Cormark considered relevant;
- p) Various reports published by industry sources and/or equity research analysts, as available, which ATB Cormark considered relevant;
- q) The representation letter signed by the Interim Chief Executive Officer and the Chief Financial Officer of FLUENT dated April 29, 2026 as to the completeness and accuracy of certain financial information, and other information, data, advice, opinions and other materials in respect of FLUENT and Vireo provided to ATB Cormark upon which the Fairness Opinion is based, by or on behalf of FLUENT; and
- r) Such other information, investigations, analyses and discussions as ATB Cormark considered necessary or appropriate in the circumstances.

To the best of our knowledge, ATB Cormark was granted full and unrestricted access by FLUENT to its senior management, the Board and legal advisors and was provided with all information requested by us.

ATB Cormark has not, to the best of our knowledge, been denied access by FLUENT to any information requested by ATB Cormark. ATB Cormark did not meet with the auditors of FLUENT and has assumed the accuracy, completeness

and fair presentation of and has relied upon, without independent verification, the audited financial statements of FLUENT and the reports of the auditor thereon.

PRIOR VALUATIONS

FLUENT has represented to ATB Cormark that, to its knowledge, there have not been any prior valuations (as defined in Multilateral Instrument 61-101) of FLUENT in the past twenty-four month period.

ASSUMPTIONS, LIMITATIONS AND QUALIFICATIONS

This Fairness Opinion is subject to the assumptions, limitations and qualifications set out below. With the Special Committee's acknowledgement and agreement and as provided for in the Engagement Agreement, ATB Cormark relied upon the accuracy, completeness and fair presentation of all data and other information obtained by it from public sources, provided to it by or on behalf of FLUENT or Vireo or otherwise obtained by ATB Cormark, and this Fairness Opinion is conditional upon the accuracy, completeness and fair presentation of such information. Subject to the exercise of professional judgment, and except as expressly described herein, ATB Cormark has not attempted to verify independently the accuracy, completeness or fair presentation of any of such information.

FLUENT has represented to ATB Cormark, in a certificate from the Interim Chief Executive Officer and Chief Financial Officer of FLUENT dated April 29, 2026, among other things, that, with the exception of the forecasts, projections, estimates or budgets referred to below, the information, data and other material (financial and otherwise) (collectively, the "Information") provided orally by, or in the presence of, an officer of FLUENT or in writing by FLUENT or any of its subsidiaries (as such term is defined in the Act) or their respective representatives or agents to ATB Cormark relating to FLUENT, its subsidiaries or the Arrangement for the purpose of preparing this Fairness Opinion was, at the date the Information was provided to ATB Cormark, and was, as of April 29, 2026, to the knowledge of FLUENT, complete, true and correct in all material respects, and did not contain any untrue statement of a material fact in respect of FLUENT, its subsidiaries or the Arrangement and did not omit to state a material fact (as such term is defined in the Act) in respect of FLUENT, its subsidiaries or the Arrangement necessary to make the Information not misleading in light of the circumstances in which the Information was made or provided (except to the extent that any such Information has been superseded by Information subsequently delivered to ATB Cormark) and that since the date the Information was provided, no material change (as such term is defined in the Act), financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of FLUENT or any of its subsidiaries had occurred and there was no new material fact or material change which has occurred in respect of FLUENT which is of such a nature as to render any portion of the Information or any part thereof untrue or misleading in any material respect or would have or which would reasonably be expected to have a material effect on this Fairness Opinion.

With respect to the budgets, forecasts, projections or estimates of FLUENT provided to ATB Cormark and used in its analyses, ATB Cormark notes that projected future results are inherently subject to uncertainty. ATB Cormark has assumed, however, that such budgets, forecasts, projections and estimates were prepared using the assumptions identified therein which ATB Cormark has been advised are (or were at the time of preparation and continue to be), in the case of FLUENT, in the opinion of the senior officers of FLUENT, as applicable, reasonable in the circumstances. ATB Cormark expresses no independent view as to the reasonableness of such budgets, forecasts, projections and estimates or the assumptions upon which they are based. FLUENT has represented to ATB Cormark, in a certificate from the Interim Chief Executive Officer and Chief Financial Officer of FLUENT dated April 29, 2026, among other things, that with respect to any portions of the Information that constitute forecasts, projections, estimates and/or budgets, such forecasts, projections, estimates and/or budgets (i) were prepared using what FLUENT's management

believed to be probable courses of actions to be taken or events reasonably expected to occur during the period covered thereby; (ii) were prepared using the assumptions identified therein, which in the reasonable belief of the management of FLUENT are (or were at the time of preparation and continue to be) reasonable in the circumstances; (iii) were reasonably prepared on a basis reflecting the best currently available estimates and judgments of the management of FLUENT as to matters covered thereby at the time thereof having regard to FLUENT's business plans, financial condition and prospects; (iv) reasonably present the views of such management of the financial prospects and forecasted performance of FLUENT and its subsidiaries subject to uncertainties and contingencies inherent in such information; and (v) were not, in the reasonable belief of the management of FLUENT, misleading in any material respect in light of the assumptions used or in light of any developments since the time of their preparation.

In preparing this Fairness Opinion, ATB Cormark has made several assumptions, including that all final or executed versions of documents will conform in all material respects to the drafts provided to ATB Cormark, all of the representations and warranties contained in the Arrangement Agreement are true and correct as of the date hereof, all of the conditions required to complete the Arrangement can and will be satisfied in due course in accordance with the terms of the Arrangement Agreement, all consents, permissions, exemptions or orders of relevant regulatory authorities or third parties will be obtained, without adverse conditions or qualifications, the procedures being followed to implement the Arrangement are valid and effective and comply in all material respects with all applicable laws, and the Arrangement will be completed substantially in accordance with its terms without any waiver or modification that could be material to the analysis herein. The Circular will be delivered to the FLUENT Shareholders in accordance with all applicable laws, and the disclosure in the Circular will be accurate, in all material respects, and will comply, in all material respects, with the requirements of all applicable laws. In its analysis in connection with the preparation of this Fairness Opinion, ATB Cormark made numerous assumptions with respect to industry performance, general business and economic conditions, and other matters, many of which are beyond the control of ATB Cormark, FLUENT, Vireo, or any of their respective affiliates. Among other things, ATB Cormark has assumed the accuracy, completeness and fair presentation of and has relied upon, without independent verification, the financial statements of both FLUENT and Vireo.

In rendering this Fairness Opinion, ATB Cormark expresses no view as to the likelihood that the conditions respecting the Arrangement will be satisfied or waived or that the Arrangement will be implemented within the time frame anticipated by FLUENT. ATB Cormark has also assumed that all of the representations and warranties contained in the Arrangement Agreement will be true and correct, in all material respects, as of the date of its execution.

This Fairness Opinion has been provided for the use of the Special Committee and is not intended to be, and does not constitute, a recommendation that any FLUENT Shareholder should vote in favour or otherwise approve of matters related to the Arrangement, or that any holder of securities convertible or exercisable into FLUENT Shares should convert or exercise such securities or as to any elections that may be available to a FLUENT Shareholder pursuant to the Arrangement. This Fairness Opinion may not be used or relied upon by any other person or for any other purpose without the express written consent of ATB Cormark, provided that ATB Cormark consents to the inclusion of this Fairness Opinion in its entirety and a summary thereof (provided such summary is in a form acceptable to ATB Cormark) in the Circular to be mailed or made available to FLUENT Shareholders in connection with seeking their approval of the Arrangement and to the filing thereof, as necessary, by FLUENT with the applicable securities regulatory authorities, in accordance with applicable securities laws in Canada. This Fairness Opinion does not address the relative merits of the Arrangement as compared to other transactions or business strategies that might be available to FLUENT, nor does it address the FLUENT business decision to enter into the Arrangement Agreement and to complete the Arrangement and is not intended to be and does not constitute a recommendation to FLUENT to proceed with the Arrangement. In considering the fairness, from a financial point of view, of the

Consideration to be received by FLUENT Shareholders pursuant to the Arrangement, ATB Cormark considered the Arrangement from the perspective of FLUENT Shareholders generally and did not consider the specific circumstances of any particular FLUENT Shareholder, including with regard to income tax considerations, or any elections (or deemed elections) that a FLUENT Shareholder may make and is not an opinion as to the procedural fairness of the Arrangement. Furthermore, this Fairness Opinion is not, and should not be construed as advice as to the price at which the securities of FLUENT may trade or their potential value at any future date.

ATB Cormark was not engaged to review any legal, tax or regulatory aspects of the Arrangement, or other procedural elements of the Arrangement, or the implementation thereof, and this Fairness Opinion does not address such matters. ATB Cormark has relied upon, without independent verification, the assessment by FLUENT and its legal advisors with respect to such matters.

ATB Cormark has not conducted any physical inspection of the properties or facilities of FLUENT or Vireo. ATB Cormark has not prepared or been furnished with a formal valuation or appraisal of the assets or liabilities (contingent, derivative, off-balance sheet or otherwise) or securities of FLUENT or any of its affiliates, and this Fairness Opinion should not be construed as such. ATB Cormark has not evaluated the solvency or fair value of FLUENT or Vireo or any other entity under any state, federal, or provincial laws relating to bankruptcy, insolvency or similar matters. ATB Cormark has not been requested to make, and has not made, an independent evaluation of, and expresses no view or opinion as to, any pending or potential litigation, claims, governmental, regulatory or other proceedings or investigations or possible unasserted claims or other contingent liabilities affecting FLUENT or any other entity, and ATB Cormark has assumed that any such matters would not be material to or otherwise impact the analysis herein or this Fairness Opinion.

This Fairness Opinion is rendered as of the date noted above on the basis of securities markets, economic and general business and financial conditions prevailing on that date and the condition and prospects, financial and otherwise, of FLUENT and Vireo, as they were reflected in the information provided or otherwise available to ATB Cormark. Any changes therein may affect this Fairness Opinion and, although ATB Cormark reserves the right to update, change, supplement or withdraw this Fairness Opinion in such event, it disclaims any and all undertaking or obligation to advise any person of any such change that may come to its attention, or to update, change, supplement or withdraw this Fairness Opinion after the date hereof, including potential changes in trade, tax or other laws, regulations and government policies and the enforcement thereof as have been or may be proposed or effected, and the potential effects such changes may have on the Arrangement or the participants in the Arrangement or their respective businesses, assets, liabilities, financial condition, results of operations, cash flows or prospects. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting this Fairness Opinion after the date hereof, including, without limitation, the terms and conditions of the Arrangement, or if ATB Cormark learns that the Information relied upon in rendering this Fairness Opinion was inaccurate, incomplete or misleading in any material respect, ATB Cormark reserves the right to change, modify or withdraw this Fairness Opinion.

The preparation of a fairness opinion is a complex process and is not necessarily amenable to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. ATB Cormark believes that its analyses must be considered in totality and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together as a whole, could create an incomplete view of the process underlying this Fairness Opinion. Accordingly, this Fairness Opinion should be read in its entirety.

FAIRNESS OPINION CONCLUSION

Based upon and subject to the foregoing, ATB Cormark is of the opinion that, as of the date hereof; the Consideration to be received by FLUENT Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the FLUENT Shareholders.

Yours truly,

ATB Capital Markets Corp.

ATB Capital Markets Corp.

606433023v.2

D-1

SCHEDULE D

INTERIM ORDER AND NOTICE OF APPLICATION

See Attached.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE

)

THURSDAY, THE 11TH

)

JUSTICE DUNPHY

)

DAY OF JUNE, 2026

**IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF THE
BUSINESS CORPORATIONS ACT, R.S.O. 1990, c. B.16, AS
AMENDED AND RULES 14.05(2), 14.05(3)(f), AND 14.05(3)(g) OF THE
*RULES OF CIVIL PROCEDURE***

**AND IN THE MATTER OF A PROPOSED ARRANGEMENT
INVOLVING FLUENT CORP., ITS SHAREHOLDERS, AND VIREO
GROWTH INC.**

FLUENT CORP.

Applicant

INTERIM ORDER

THIS MOTION made by the Applicant, FLUENT Corp. ("**FLUENT**") for an interim order for advice and directions pursuant to section 182 of the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended, (the "**OBCA**") was heard via Zoom videoconference call.

ON READING the Notice of Motion, the Notice of Application issued on June 3, 2026 and the affidavit of Matthew Mundy sworn June 9, 2026 (the "**Mundy Affidavit**"), including the Plan of Arrangement, which is attached as Appendix "B" to the draft notice of annual general and special meeting and management information circular (the "**Circular**") of FLUENT, which is attached as Exhibit "A" to the Mundy Affidavit, and on hearing the submissions of counsel for FLUENT and counsel for Vireo Growth Inc. ("**Vireo**"), and on being advised that the Director appointed under the OBCA (the "**Director**") does not consider it necessary to appear,

Definitions

1. **THIS COURT ORDERS** that all capitalized terms used in this Interim Order shall have the meaning ascribed thereto in the Circular or otherwise as specifically defined herein.

The Meeting

2. **THIS COURT ORDERS** that FLUENT is permitted to call, hold and conduct an annual general and special meeting (the “**Meeting**”) of the holders (each, a “**Shareholder**”) of common shares (the “**Common Shares**”) and proportionate voting shares (the “**Proportionate Voting Shares**”, together with the Common Shares, the “**Voting Shares**”) of FLUENT, to be held in-person at the offices of Cassels Brock & Blackwell LLP, Suite 3200, Bay Adelaide Centre – North Tower, 40 Temperance St., Toronto, Ontario at 9:30 a.m. (Toronto time) on July 28, 2026, subject to any adjournment or postponement thereof, in order for the Shareholders to among other things, consider and, if determined advisable, pass a special resolution authorizing, adopting and approving, with or without variation, the Arrangement and the Plan of Arrangement (collectively, the “**Arrangement Resolution**”).

3. **THIS COURT ORDERS** that the Meeting shall be called, held, and conducted in accordance with the OBCA, the notice of annual general and special meeting of Shareholders, which accompanies the Circular (the “**Notice of Meeting**”) and the articles and by-laws of FLUENT, subject to what may be provided hereafter and subject to further order of this Court.

4. **THIS COURT ORDERS** that the record date (the “**Record Date**”) for determination of the Shareholders entitled to notice of, and to vote at, the Meeting shall be the close of business on June 12, 2026.

5. **THIS COURT ORDERS** that the only persons entitled to attend or speak at the Meeting shall be:

- (a) all Registered Shareholders as of the close of business on the Record Date and duly appointed proxyholders;
- (b) the officers, directors, auditors, and advisors of FLUENT;
- (c) representatives and advisors of Vireo;
- (d) the Director; and
- (e) other persons who may receive the permission of the Chair of the Meeting.

6. **THIS COURT ORDERS** that FLUENT may transact such other business at the Meeting as is contemplated in the Circular, or as may otherwise be properly before the Meeting.

Quorum

7. **THIS COURT ORDERS** that the Chair of the Meeting shall be determined by FLUENT and that the quorum at the Meeting shall be the holders of 15% of Voting Shares entitled to vote at the Meeting, whether present in person or represented by proxy.

Amendments to the Arrangement and Plan of Arrangement

8. **THIS COURT ORDERS** that FLUENT is authorized to make, subject to the terms of the Arrangement Agreement, the Plan of Arrangement and paragraph 9, below, such amendments, modifications, or supplements to the Arrangement and the Plan of Arrangement as it may determine, without any additional notice to the Shareholders or others entitled to receive notice under paragraphs 12, 13 and 14. hereof provided same are to correct clerical errors, are non-material/would not if disclosed, reasonably be expected to affect a Shareholders' decision to vote, or are authorized by subsequent Court Order, and the Arrangement and Plan of Arrangement, as so

amended, modified, or supplemented shall be the Arrangement and Plan of Arrangement to be submitted to the Shareholders at the Meeting and shall be the subject of the Arrangement Resolution. Amendments, modifications, or supplements may be made following the Meeting, but shall be subject to review and, if appropriate, further direction by this Court at the hearing for the final approval of the Arrangement.

9. **THIS COURT ORDERS** that, if any amendments, modifications, or supplements to the Arrangement or Plan of Arrangement made after initial notice is provided as contemplated in paragraphs 12, 13 and 14 which would, if disclosed, reasonably be expected to affect a Shareholder's decision to vote for or against the Arrangement Resolution, notice of such amendment, modification or supplement shall be distributed, subject to further order of this Court, by press release, newspaper advertisement, prepaid ordinary mail, or by the method most reasonably practicable in the circumstances, as FLUENT may determine.

Amendments to the Circular

10. **THIS COURT ORDERS** that FLUENT is authorized to make such amendments, revisions, and/or supplements to the draft Circular as it may determine and the Circular, as so amended, revised and/or supplemented, shall be the Circular to be distributed in accordance with paragraphs 12, 13 and 16.

Adjournments and Postponements

11. **THIS COURT ORDERS** that FLUENT, if it deems advisable and subject to the terms of the Arrangement Agreement, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Shareholders respecting the adjournment or postponement, and notice of any such adjournment or postponement shall be given by such method as FLUENT may determine is appropriate in the circumstances. This provision shall not limit the authority of the Chair of the Meeting in respect of adjournments and postponements.

Notice of Meeting

12. **THIS COURT ORDERS** that, subject to the extent section 262(4) of the OBCA is applicable, in order to effect notice of the Meeting, FLUENT shall send (or cause to be sent) (or provide access to) the Circular (including the Notice of Application and this Interim Order), the Notice of Meeting, the form of proxy or voting instruction form as applicable, the form of letter of transmittal, along with such amendments or additional documents as FLUENT may determine are necessary or desirable and are not inconsistent with the terms of this Interim Order (“the **Meeting Materials**”) as follows, or as set out in paragraph 13:

- (a) to the Registered Shareholders at the close of business on the Record Date, at least twenty-one days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting, by one or more of the following methods:
 - (i) by pre-paid ordinary or first class mail at the addresses of the Shareholders as they appear on the books and records of FLUENT, or its registrar and transfer agent, at the close of business on the Record Date and if no address is shown therein, then the last address of the person known to the Corporate Secretary of FLUENT;
 - (ii) by delivery, in person or by recognized courier service or inter-office mail, to the address specified in (i) above; or
 - (iii) by facsimile or electronic transmission to any Shareholder, who is identified to the satisfaction of FLUENT, who requests such transmission in writing;
- (b) to non-registered Shareholders by providing sufficient copies of the Meeting Materials to intermediaries and registered nominees in a timely manner, in accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”); and

- (c) to the directors and auditors of FLUENT and to the Director appointed under the OBCA, by delivery in person, by recognized courier service, by pre-paid ordinary or first class mail or, with the consent of the person, by facsimile or electronic transmission, at least twenty-one days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting,

and substantial compliance with this paragraph shall constitute sufficient notice of the Meeting.

13. In the alternative to paragraphs 12(a) and (b), the Meeting Materials may instead be distributed to Shareholders in accordance with the “notice-and-access” provisions under NI 54-101 and National Instrument 51-102 *Continuous Disclosure Obligations* (“**NI 51-102**”) (collectively, the “**Notice-and-Access Provisions**”), as follows:

- (a) at least thirty days prior to the date of the Meeting, FLUENT will mail or cause to be mailed a notice containing the information required by the Notice-and-Access Provisions (the “**Notice-and-Access Notice**”), together with the form of proxy and voting instruction form, as applicable (collectively, with the Notice-and-Access Notice, the “**Notice-and-Access Materials**”) to all registered Shareholders as at the close of business on the Record Date, informing them that the Circular and proxy-related materials are available online, explaining how the Circular may be accessed, and explaining how paper copies of the Circular may be requested. The Notice-and-Access Materials will be sent in accordance with the methods described in paragraphs 12(a)(i) to (iii) to the addresses of the registered Shareholders as they appear on the books and records of FLUENT, or its registrar and transfer agent, at the close of business on the Record Date and if no address is shown therein, then to the last address of the person known to the Corporate Secretary of FLUENT;

- (b) FLUENT will provide sufficient copies of the Notice-and-Access Materials to intermediaries and registered nominees in a timely manner, in accordance with NI 54-101, for distribution to non-registered Shareholders; and
 - (c) instead of mailing the Circular and proxy-related materials to Shareholders, FLUENT will post the Circular and proxy-related materials on its website at www.investors.getfluent.com and on SEDAR+ at www.sedarplus.ca.
14. As described in the Notice-and-Access Materials, Shareholders may request a paper copy of the Circular by contacting FLUENT or its transfer agent. If the request is made before the Meeting, FLUENT or its transfer agent will mail the Circular within three Business Days of the receipt of any request.
15. Compliance with paragraphs 12, 13 and 14 shall constitute sufficient notice of the Meeting.
16. **THIS COURT ORDERS** that FLUENT is hereby directed to distribute (i) the Notice-and-Access Materials, or (ii) the Circular (including the Notice of Application and this Interim Order) (collectively, the “**Court Materials**”) to the holders of outstanding restricted share units, options, an unsecured convertible debenture and a secured subordinated convertible promissory note by any method permitted for notice to the Shareholders as set forth in paragraphs 12 and 13 above, or by electronic transmission, concurrently with the distribution described in paragraphs 12 and 13 of this Interim Order. Distribution to such persons shall be to their addresses as they appear on the books and records of FLUENT or its registrar and transfer agent, in each case, at the close of business on the Record Date.
17. **THIS COURT ORDERS** that accidental failure or omission by FLUENT to give notice of the Meeting or to distribute the Notice-and-Access Materials, the Meeting Materials, or the Court Materials, to any person entitled by this Interim Order to receive notice, or any failure or omission to give such notice as a result of events beyond the reasonable control of FLUENT, or the non-receipt

of such notice shall, subject to further order of this Court, not constitute a breach of this Interim Order nor shall it invalidate any resolution passed or proceedings taken at the Meeting. If any such failure or omission is brought to the attention of FLUENT, it shall use its best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

18. **THIS COURT ORDERS** that FLUENT is hereby authorized to make such amendments, revisions or supplements to the Notice-and-Access Materials and the Meeting Materials as FLUENT may determine in accordance with the terms of the Arrangement Agreement ("**Additional Information**"), and that notice of such Additional Information may, subject to paragraph 9, above, be distributed by press release, newspaper advertisement, pre-paid ordinary mail, or by the method most reasonably practicable in the circumstances, as FLUENT may determine.

19. **THIS COURT ORDERS** that distribution of the Notice-and-Access Materials, the Meeting Materials and Court Materials pursuant to paragraphs 12, 13, and 16 of this Interim Order shall constitute notice of the Meeting and good and sufficient service of the within Application upon the persons described in paragraphs 12, 13 and 16 and that those persons are bound by any orders made on the within Application. Further, no other form of service of the Notice-and-Access Materials, the Meeting Materials or the Court Materials or any portion thereof need be made, or notice given or other material served in respect of these proceedings and/or the Meeting to such persons or to any other persons, except to the extent required by paragraph 9 above.

Solicitation and Revocation of Proxies

20. **THIS COURT ORDERS** that FLUENT is authorized to use the letter of transmittal, voting instruction forms and forms of proxies substantially in the form of the drafts accompanying the Circular or the Notice-and-Access Materials as applicable, with such amendments and additional information as FLUENT may determine are necessary or desirable, subject to the terms of the Arrangement Agreement. FLUENT is authorized, at its expense, to solicit proxies, directly or through its officers, directors or employees, and through such agents or representatives as it may retain for

that purpose, and by mail or such other forms of personal or electronic communication as it may determine. FLUENT may waive generally, in its discretion, the time limits set out in the Circular for the deposit or revocation of proxies by the Shareholders, if FLUENT deems it advisable to do so.

21. **THIS COURT ORDERS** that the Shareholders shall be entitled to revoke their proxies in accordance with section 110(4) and 110(4.1) of the OBCA (except as the procedures of that section are varied by this paragraph) provided that any instruments in writing delivered pursuant to section 110(4)(a) of the OBCA must be delivered (i) to the Transfer Agent at any time up to and including the deadline for submission of proxies for the Meeting (or any adjournment or postponement thereof) as indicated in the Notice of Meeting and form of proxy, or (ii) to the scrutineers of the Meeting, addressed to the attention of the Chair of the Meeting, prior to the commencement of the Meeting on the day of the Meeting or any adjournment thereof.

Voting

22. **THIS COURT ORDERS** that the only persons entitled to vote in person or by proxy on the Arrangement Resolution shall be those Registered Shareholders who hold Voting Shares as of the close of business on the Record Date. Illegible votes, spoiled votes, defective votes, and abstentions shall be deemed to be votes not cast. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.

23. **THIS COURT ORDERS** that votes shall be taken at the Meeting on the basis of (i) one vote for each Common Share held; and (ii) 10 votes for each Proportionate Voting Share held. In order for the Plan of Arrangement to be implemented, subject to further Order of this Court, the Arrangement Resolution must be passed, with or without variation, at the Meeting by an affirmative vote of not less than 66^{2/3}% of the votes cast in respect of the Arrangement Resolution at the Meeting by Shareholders present in person or represented by proxy and entitled to vote at the Meeting voting as a single class. Such votes shall be sufficient to authorize FLUENT to do all such acts and things as may be necessary or desirable to give effect to the Arrangement and the Plan of Arrangement on

a basis consistent with what is provided for in the Circular without the necessity of any further approval by the Shareholders, subject only to final approval of the Arrangement by this Court.

24. **THIS COURT ORDERS** that in respect of matters properly brought before the Meeting pertaining to items of business affecting FLUENT (other than in respect of the Arrangement Resolution), each Shareholder is entitled to (i) one vote for each Common Share held; and (ii) 10 votes for each Proportionate Voting Share held.

Dissent Rights

25. **THIS COURT ORDERS** that each Registered Shareholder shall be entitled to exercise Dissent Rights in connection with the Arrangement Resolution in accordance with section 185 of the OBCA (except as the procedures of that section are varied by this Interim Order and the Plan of Arrangement) provided that, notwithstanding subsection 185(6) of the OBCA, any Shareholder who wishes to dissent must, as a condition precedent thereto, provide written objection to the Arrangement Resolution to FLUENT in the form required by section 185 of the OBCA and the Arrangement Agreement, which written objection must be received by FLUENT c/o Cassels Brock & Blackwell LLP, Suite 3200, Bay-Adelaide Centre, North Tower, 40 Temperance Street, Toronto, Ontario M5H 0B4, email: ljackson@cassels.com, Attention: Lara Jackson, not later than 5:00 p.m. (Toronto Time) on July 24, 2026 (or the date that is two Business Days immediately preceding the date that any adjourned or postponed Meeting is reconvened or held, as the case may be), and must otherwise strictly comply with the requirements of the OBCA. For purposes of these proceedings, the “court” referred to in section 185 of the OBCA means this Court.

26. **THIS COURT ORDERS** that, consistent with section 185(4) of the OBCA, FLUENT shall be required to offer to pay fair value, as of the close of business on the day prior to approval of the Arrangement Resolution, for the Voting Shares held by the Registered Shareholders who duly exercise Dissent Rights, and to pay the amount to which such Shareholders may be entitled pursuant to the terms of the Plan of Arrangement.

27. **THIS COURT ORDERS** that any Shareholder who duly exercises such Dissent Rights set out in paragraph 25 above and who:

- (a) is ultimately determined by this Court to be entitled to be paid fair value for his, her or its Voting Shares, shall be deemed to have transferred those Voting Shares as of the Effective Time, without any further act or formality and free and clear of all Liens to FLUENT in consideration for a payment of cash from FLUENT equal to such fair value; or
- (b) is for any reason ultimately determined by this Court not to be entitled to be paid fair value for his, her or its Voting Shares pursuant to the exercise of the Dissent Right, shall be deemed to have participated in the Arrangement on the same basis and at the same time as any non-dissenting Shareholder;

but in no case shall FLUENT, Vireo, or any other person be required to recognize such Shareholders as holders of Voting Shares at or after the date upon which the Arrangement becomes effective and the names of such Shareholders shall be deleted from FLUENT's register of Shareholders at that time.

Hearing of Application for Approval of the Arrangement

28. **THIS COURT ORDERS** that upon approval by the Shareholders of the Plan of Arrangement in the manner set forth in this Interim Order, FLUENT may apply to this Court for final approval of the Arrangement, which application will be heard on August 4, 2026 or such later date as the Court may direct.

29. **THIS COURT ORDERS** that distribution of the Notice of Application and the Interim Order in the Circular in accordance with paragraphs 12 and 13 shall constitute good and sufficient service of the Notice of Application and this Interim Order and no other form of service need be effected and

no other material need be served unless a Notice of Appearance is served in accordance with paragraph 30.

30. **THIS COURT ORDERS** that any Notice of Appearance served in response to the Notice of Application shall be served on the solicitors for FLUENT, with a copy to counsel for Vireo, as soon as reasonably practicable, and, in any event, by no later than 5:00 p.m. (Toronto Time) on the second last Business Day before the hearing of the Application referenced in paragraph 28 or such other date as the Court may order to:

CASSELS BROCK & BLACKWELL LLP

Suite 3200, Bay Adelaide Centre, North Tower
40 Temperance St.
Toronto, Ontario M5H 0B4

Lara Jackson LSO #: 41858M

Tel: 416.860.2907
ljackson@cassels.com

DLA PIPER (CANADA) LLP

Suite 5100, Bay Adelaide Centre, West Tower
333 Bay Street
Toronto, Ontario M5H 2R2

Derek J. Bell LSO#: 43420J

Tel: 416.369.7960
derek.bell@ca.dlapiper.com

31. **THIS COURT ORDERS** that, subject to further order of this Court, the only persons entitled to appear and be heard at the hearing of the within application shall be:

(i) FLUENT;

(ii) Vireo;

(iii) the Director; and

(iv) any person who has filed a Notice of Appearance herein in accordance with the Notice of Application, this Interim Order, and the *Rules of Civil Procedure*.

32. **THIS COURT ORDERS** that any materials to be filed by FLUENT in support of the within Application for final approval of the Arrangement may be filed up to one day prior to the hearing of the Application without further order of this Court.

33. **THIS COURT ORDERS** that in the event the within Application for final approval does not proceed on the date set forth in the Notice of Application, and is adjourned, only those persons who served and filed a Notice of Appearance in accordance with paragraph 30 shall be entitled to be given notice of the adjourned date.

Service and Notice

34. **THIS COURT ORDERS** that the Applicant and its counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Shareholders, FLUENT Securityholders, creditors, or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the Electronic Commerce Protection Regulations, Reg. 81000-2-175 (SOR/DORS).

Precedence

35. **THIS COURT ORDERS** that, to the extent of any inconsistency or discrepancy between this Interim Order and the terms of any instrument creating, governing, or collateral to the FLUENT Shares, or the articles or by-laws of FLUENT, this Interim Order shall govern.

Extra-Territorial Assistance

36. **THIS COURT** seeks and requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province of Canada and any judicial, regulatory, or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory, or administrative body of the United States or other country to act in aid of and to assist this Court in carrying out the terms of this Interim Order.

Variance

37. **THIS COURT ORDERS** that FLUENT shall be entitled to seek leave to vary this Interim Order upon such terms and upon the giving of such notice as this Court may direct.



Digitally signed by Sean
Dunphy
Date: 2026.06.11 12:21:42
-04'00'

(Signature of Judge)

**IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING FLUENT
CORP. *et. al.***

Applicant

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

INTERIM ORDER

CASSELS BROCK & BLACKWELL LLP
Suite 3200, Bay Adelaide Centre – North Tower
40 Temperance Street
Toronto, Ontario M5H 0B4

Lara Jackson LSO #: 41858M
Tel: 416.860.2907
ljackson@cassels.com

Laura Cloutier LSO#: 89358R
Tel: 416.860.6470
lcloutier@cassels.com

Lawyers for the Applicant
FLUENT Corp.



**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**IN THE MATTER OF AN APPLICATION UNDER SECTION 182 OF
THE *BUSINESS CORPORATIONS ACT*, R.S.O. 1990, c. B.16, AS
AMENDED AND RULES 14.05(2), 14.05(3)(f), AND 14.05(3)(g) OF
THE *RULES OF CIVIL PROCEDURE***

**AND IN THE MATTER OF A PROPOSED ARRANGEMENT
INVOLVING FLUENT CORP., ITS SHAREHOLDERS, AND VIREO
GROWTH INC.**

FLUENT CORP.

Applicant

NOTICE OF APPLICATION

TO THE RESPONDENTS

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following page.

THIS APPLICATION will come on for a hearing

- ☐ In writing
- ☐ In person
- ☐ By telephone conference
- ☒ By video conference

at 330 University Avenue, Toronto, before a judge presiding over the Commercial List, on August 4, 2026 at 10:00 a.m. or as soon after that time as the matter can be heard.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the Applicant's lawyer or, where the Applicant does not have a lawyer, serve it on the Applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date _____ Issued by _____
Local Registrar

Address of court office: Superior Court of Justice
330 University Avenue, 9th Floor
Toronto ON
M5G 1R7

TO: **ALL HOLDERS OF COMMON SHARES AND PROPORTIONATE VOTING SHARES OF FLUENT CORP.**

AND TO: **THE DIRECTORS OF FLUENT CORP.**

AND TO: **THE AUDITORS OF FLUENT CORP.**

AND TO: **THE DIRECTOR UNDER THE *BUSINESS CORPORATIONS ACT* (ONTARIO)**

AND TO: **DLA PIPER (CANADA) LLP**
Bay Adelaide Centre - West Tower
Suite 5100 - 333 Bay Street
Toronto, Ontario M5H 2R2

Derek J. Bell LSO#: 43420J
Tel: 416.369.7960
derek.bell@ca.dlapiper.com

Lawyers for Vireo Growth Inc.

APPLICATION

1. Capitalized terms used in this Notice of Application but not defined have the meaning given to them in the Arrangement Agreement (defined below) or the Circular (defined below), both of which will be appended as exhibits to the affidavit sworn in support of this application.
2. The applicant FLUENT Corp. ("**FLUENT**") makes application for:
 - (a) an Interim Order for advice and directions pursuant to subsection 182(5) of the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended, (the "**OBCA**") with respect to notice and the conduct of an annual general and special meeting (the "**Meeting**") of the holders (each, a "**FLUENT Shareholder**") of common shares of FLUENT (the "**Common Shares**") and proportionate voting shares (the "**Proportionate Voting Shares**", together with the Common Shares the "**Voting Shares**"), and such other matters pertaining to a proposed arrangement (the "**Arrangement**") under a plan of arrangement (the "**Plan of Arrangement**") involving FLUENT, its shareholders, and Vireo Growth Inc. ("**Vireo**");
 - (b) a Final Order pursuant to subsections 182(3) and 182(5) of the OBCA approving the Arrangement, if it is adopted and approved by the FLUENT Shareholders at the Meeting, substantially in the form to be described in FLUENT's notice of annual general and special meeting and management information circular (the "**Circular**") to be distributed to the FLUENT Shareholders in connection with the Meeting;
 - (c) an order abridging the time for the service and filing of, or dispensing with service of, this Notice of Application and related materials, if necessary; and
 - (d) such further and other relief as this Court may deem just.

3. The grounds for the application are:

- (a) FLUENT is a national cannabis consumer packaged goods company and retailer. FLUENT operates in Florida and New York, and produces an assortment of cannabis products under a diverse portfolio of brands. Its registered Canadian office is in Toronto;
- (b) FLUENT is a corporation organized under the OBCA and is a “foreign private issuer” as defined in Rule 3b-4 under the *U.S. Exchange Act*;
- (c) FLUENT is a reporting issuer in each of the provinces of Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario, Prince Edward Island and Saskatchewan. The Common Shares trade on the CSE under the trading symbol “FNT.U” and are quoted on the OTCQB Venture Market under the symbol “CNTMF”;
- (d) in addition to the Common Shares, FLUENT has outstanding restricted share units (“**RSUs**”), options (“**Options**”) and the Proportionate Voting Shares and authorized but unissued non-voting, non-participating exchangeable shares of FLUENT (the “**Non-Voting Shares**”, together with the Common Shares and the Proportionate Voting Shares, the “**FLUENT Shares**”);
- (e) Vireo is a vertically-integrated cannabis company with licenses and operations in California, Colorado, Florida, Maryland, Minnesota, Missouri, New Mexico, Nevada, New York, and Utah;

- (f) Vireo is a corporation organized under the British Columbia *Business Corporations Act*, with its corporate office located in Minnesota, United States and its registered office located in Vancouver, British Columbia;
- (g) Vireo is a reporting issuer in each of the provinces of Alberta, British Columbia, and Ontario. The subordinate voting shares of Vireo (the “**Vireo Shares**”) trade on the CSE under the trading symbol “VREO” and are quoted on the OTCQX Market under the symbol “VREOF”;
- (h) on April 29, 2026, FLUENT and Vireo entered into an arrangement agreement (the “**Arrangement Agreement**”), pursuant to which, and among other things, Vireo will acquire all of the issued and outstanding Common Shares of FLUENT (after conversion of all (i) Proportionate Voting Shares and (ii) Non-Voting Shares) (i.e., the FLUENT Shares) in exchange for Vireo Shares;
- (i) the terms of the Arrangement Agreement and the Arrangement are the result of a comprehensive and extensive negotiation process, undertaken with the active oversight and participation of the Special Committee, as well as legal counsel and financial advisors following a significant market test of a wide variety of strategic alternatives for FLUENT;
- (j) pursuant to the terms of the Arrangement Agreement, each FLUENT Shareholder (other than Dissenting Shareholders) will receive 0.0705359 of a Vireo Share in exchange for each Common Share held, as may be adjusted in accordance with terms of the Arrangement Agreement;

- (k) the Arrangement Agreement contemplates the Arrangement being effected by way of a proposed court-approved plan of arrangement (*i.e.*, the Plan of Arrangement) under section 182 of the OBCA;
- (l) pursuant to the Plan of Arrangement, and as qualified entirely by the terms of the Plan of Arrangement, at the Effective Time:
 - (i) the FLUENT RSU Plan, the FLUENT Option Plan and all agreements relating to the RSUs and Options will be terminated and will be of no further force and effect;
 - (ii) each FLUENT Share held by a Dissenting Shareholder in respect of which Dissent Rights have been validly exercised will be transferred without any further act or formality to FLUENT (free and clear of any Liens of any nature whatsoever) for cancellation and will be cancelled, and upon such transfer:
 - (i) such Dissenting Shareholder will cease to be, and will be deemed to cease to be, the holder of such FLUENT Shares and to have any rights as a Shareholder in respect of such FLUENT Shares other than the right to be paid the fair value by FLUENT for such FLUENT Shares as set out in the Plan of Arrangement; and (ii) such Dissenting Shareholder's name will be, and will be deemed to be, removed from the securities register of Shareholders maintained by or on behalf of FLUENT;
 - (iii) each Proportionate Voting Share (excluding any Proportionate Voting Shares held by a Dissenting Shareholder in respect of which Dissent Rights have been validly exercised) outstanding immediately prior to the Effective Time will be exchanged with FLUENT for 10 Common Shares, and upon

such exchange: (i) each such exchanged Proportionate Voting Share will be cancelled, and the holder of such exchanged Proportionate Voting Share will be removed from the securities register of Shareholders maintained by or on behalf of FLUENT in respect of the Proportionate Voting Shares; (ii) each holder of such exchanged Proportionate Voting Share will be entered in the securities register of Shareholders maintained by or on behalf of FLUENT in respect of the Common Shares issued to such holder; and (iii) FLUENT will add an amount to the stated capital account maintained in respect of the Common Shares equal to the aggregate “paid-up capital” (within the meaning of the *Tax Act*) of the Proportionate Voting Share immediately prior to the exchange;

- (iv) each Non-Voting Share (other than Non-Voting Shares held by a Dissenting Shareholder in respect of which Dissent Rights have been validly exercised) outstanding immediately prior to the Effective Time will be exchanged with FLUENT for one Common Share, and upon such exchange: (i) each such exchanged Non-Voting Share will be cancelled, and the holder of such exchanged Non-Voting Share will be removed from the securities register of Shareholders maintained by or on behalf of FLUENT in respect of the Non-Voting Shares; (ii) each holder of such exchanged Non-Voting Share will be entered in the securities register of Shareholders maintained by or on behalf of FLUENT in respect of the Common Shares issued to such holder; and (iii) FLUENT will add an amount to the stated capital account maintained in respect of the Common Shares equal to the aggregate “paid-up capital” (within the meaning of the *Tax Act*) of the Non-Voting Share immediately prior to the exchange; and

- (v) each Common Share held by a Shareholder (excluding (x) Common Shares held by a Dissenting Shareholder in respect of which Dissent Rights have been validly exercised; and (y) Common Shares held by Vireo or any of its affiliates) including, for greater certainty, any Common Shares issued to holders of Proportionate Voting Shares or Non-Voting Shares, will be and will be deemed to be transferred and assigned by the holder thereof, without any further act or formality on its part, to Vireo (free and clear of any Liens of any nature whatsoever), solely in exchange for the Consideration Shares, less any amounts withheld pursuant to the provisions of the Plan of Arrangement, and upon such transfer (i) each Shareholder of such exchanged Common Share will cease to be, and will be deemed to cease to be, the holder thereof and to have any rights as a Shareholder other than the right to receive the Consideration Shares issuable in respect of such Common Shares in accordance with the Plan of Arrangement; (ii) the name of each such Shareholder will be, and will be deemed to be, removed from the securities register of the Shareholders maintained by or on behalf of FLUENT; and (iii) Vireo will be, and will be deemed to be, the legal and beneficial owner of such transferred Common Shares and will be entered in FLUENT's securities register for the Common Shares as the sole holder thereof.
- (m) pursuant to the Arrangement Agreement (and subject to the approval of this Court and other conditions set out in the Arrangement Agreement), to be effective, the resolution approving the Arrangement must be approved by the affirmative vote of at least 66^{2/3}% of the votes cast by the FLUENT Shareholders present in person

or represented by proxy and entitled to vote at the Meeting, voting as a single class;

- (n) the Arrangement is an “arrangement” within the meaning of subsection 182(1) of the OBCA;
- (o) all statutory requirements under the OBCA have been or will be fulfilled by the return date of this application;
- (p) the directions set out in, and the approvals required pursuant to, the Interim Order will be followed and obtained by the return date of this application;
- (q) the Arrangement is in the best interests of FLUENT, is fair and reasonable to all affected parties, including the FLUENT Shareholders, has a valid business purpose, and is put forward in good faith;
- (r) this application has a material connection to the Toronto Region in that, among other things, (i) FLUENT is an OBCA corporation, and (ii) its Canadian registered office is located in Toronto;
- (s) the proposed directions contained in the Interim Order are within the scope of section 182(5) of the OBCA, will enable FLUENT to carry out the Meeting, and will enable this Honourable Court to consider whether to approve the Arrangement on the return of this application;
- (t) if made, the Final Order will constitute the basis for reliance on the exemption available under section 3(a)(10) of the United States *Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder and pursuant to similar exceptions under applicable U.S. state securities laws, with respect to the

issuance of Vireo Shares received by FLUENT Shareholders, pursuant to the Arrangement;

- (u) service in these proceedings on persons outside of Ontario will be effected pursuant to rule 17.02(n) of the *Rules of Civil Procedure* and the Interim Order;
- (v) sections 182 and 185 of the OBCA and rules 1.04, 1.05, 3.02, 14.05, 17.02, and 38 of the *Rules of Civil Procedure*;
- (w) Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* of the Canadian Securities Administrators;
- (x) National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators; and
- (y) such further and other grounds as counsel may advise and this Court may permit.

4. The following documentary evidence will be used at the hearing of the application:

- (a) an affidavit in support of the Interim Order and the Final Order, to be sworn and filed in this proceeding, and the exhibits (including the Circular and the Plan of Arrangement) attached thereto and other materials referenced therein;
- (b) supplementary affidavits to be filed in respect of the Meeting and compliance with the Interim Order, to be sworn; and
- (c) such further and other evidence as counsel may advise and this Court may permit.

June 3, 2026

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FLUENT Corp.

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING FLUENT
CORP. *et. al.*

Applicant

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

NOTICE OF APPLICATION

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FLUENT Corp.

SCHEDULE E

SECTION 185 OF THE *BUSINESS CORPORATIONS ACT* (ONTARIO)

Pursuant to the Interim Order, Registered Shareholders have the right to dissent in respect of the Arrangement in accordance with section 185 of the OBCA, as modified by the Plan of Arrangement and the Interim Order. Such right to dissent is described in the Circular. The full text of section 185 of the OBCA is set forth below.

Rights of dissenting shareholders

185 (1) Subject to subsection (3) and to sections 186 and 248, if a corporation resolves to,

- (a) amend its articles under section 168 to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation;
- (b) amend its articles under section 168 to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise;
- (c) amalgamate with another corporation under sections 175 and 176;
- (d) be continued under the laws of another jurisdiction under section 181;
- (d.1) be continued under the *Co-operative Corporations Act* under section 181.1;
- (d.2) be continued under the *Not-for-Profit Corporations Act, 2010* under section 181.2; or
- (e) sell, lease or exchange all or substantially all its property under subsection 184 (3),

a holder of shares of any class or series entitled to vote on the resolution may dissent.

Idem

(2) If a corporation resolves to amend its articles in a manner referred to in subsection 170 (1), a holder of shares of any class or series entitled to vote on the amendment under section 168 or 170 may dissent, except in respect of an amendment referred to in,

- (a) clause 170 (1) (a), (b) or (e) where the articles provide that the holders of shares of such class or series are not entitled to dissent; or
- (b) subsection 170 (5) or (6).

One class of shares

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares.

Exception

(3) A shareholder of a corporation incorporated before the 29th day of July, 1983 is not entitled to dissent under this section in respect of an amendment of the articles of the corporation to the extent that the amendment,

- (a) amends the express terms of any provision of the articles of the corporation to conform to the terms of the provision as deemed to be amended by section 277; or
- (b) deletes from the articles of the corporation all of the objects of the corporation set out in its articles, provided that the deletion is made by the 29th day of July, 1986.

Shareholder's right to be paid fair value

(4) In addition to any other right the shareholder may have, but subject to subsection (30), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents becomes effective, to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted.

No partial dissent

(5) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the dissenting shareholder on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

Objection

(6) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent.

Idem

(7) The execution or exercise of a proxy does not constitute a written objection for purposes of subsection (6).

Notice of adoption of resolution

(8) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (6) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn the objection.

Idem

(9) A notice sent under subsection (8) shall set out the rights of the dissenting shareholder and the procedures to be followed to exercise those rights.

Demand for payment of fair value

(10) A dissenting shareholder entitled to receive notice under subsection (8) shall, within twenty days after receiving such notice, or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing,

- (a) the shareholder's name and address;
- (b) the number and class of shares in respect of which the shareholder dissents; and
- (c) a demand for payment of the fair value of such shares.

Certificates to be sent in

(11) Not later than the thirtieth day after the sending of a notice under subsection (10), a dissenting shareholder shall send the certificates, if any, representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

Idem

(12) A dissenting shareholder who fails to comply with subsections (6), (10) and (11) has no right to make a claim under this section.

Endorsement on certificate

(13) A corporation or its transfer agent shall endorse on any share certificate received under subsection (11) a notice that the holder is a dissenting shareholder under this section and shall return forthwith the share certificates to the dissenting shareholder.

Rights of dissenting shareholder

(14) On sending a notice under subsection (10), a dissenting shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shares as determined under this section except where,

- (a) the dissenting shareholder withdraws notice before the corporation makes an offer under subsection (15);
- (b) the corporation fails to make an offer in accordance with subsection (15) and the dissenting shareholder withdraws notice; or
- (c) the directors revoke a resolution to amend the articles under subsection 168 (3), terminate an amalgamation agreement under subsection 176 (5) or an application for continuance under subsection 181 (5), or abandon a sale, lease or exchange under subsection 184 (8),

in which case the dissenting shareholder's rights are reinstated as of the date the dissenting shareholder sent the notice referred to in subsection (10).

Same

(14.1) A dissenting shareholder whose rights are reinstated under subsection (14) is entitled, upon presentation and surrender to the corporation or its transfer agent of any share certificate that has been endorsed in accordance with subsection (13),

- (a) to be issued, without payment of any fee, a new certificate representing the same number, class and series of shares as the certificate so surrendered; or
- (b) if a resolution is passed by the directors under subsection 54 (2) with respect to that class and series of shares,
 - (i) to be issued the same number, class and series of uncertificated shares as represented by the certificate so surrendered, and
 - (ii) to be sent the notice referred to in subsection 54 (3).

Same

(14.2) A dissenting shareholder whose rights are reinstated under subsection (14) and who held uncertificated shares at the time of sending a notice to the corporation under subsection (10) is entitled,

- (a) to be issued the same number, class and series of uncertificated shares as those held by the dissenting shareholder at the time of sending the notice under subsection (10); and
- (b) to be sent the notice referred to in subsection 54 (3).

Offer to pay

(15) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (10), send to each dissenting shareholder who has sent such notice,

- (a) a written offer to pay for the dissenting shareholder's shares in an amount considered by the directors of the corporation to be the fair value thereof, accompanied by a statement showing how the fair value was determined; or
- (b) if subsection (30) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

Idem

(16) Every offer made under subsection (15) for shares of the same class or series shall be on the same terms.

Idem

(17) Subject to subsection (30), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (15) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

Application to court to fix fair value

(18) Where a corporation fails to make an offer under subsection (15) or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as the court may allow, apply to the court to fix a fair value for the shares of any dissenting shareholder.

Idem

(19) If a corporation fails to apply to the court under subsection (18), a dissenting shareholder may apply to the court for the same purpose within a further period of twenty days or within such further period as the court may allow.

Idem

(20) A dissenting shareholder is not required to give security for costs in an application made under subsection (18) or (19).

Costs

(21) If a corporation fails to comply with subsection (15), then the costs of a shareholder application under subsection (19) are to be borne by the corporation unless the court otherwise orders.

Notice to shareholders

(22) Before making application to the court under subsection (18) or not later than seven days after receiving notice of an application to the court under subsection (19), as the case may be, a corporation shall give notice to each dissenting shareholder who, at the date upon which the notice is given,

- (a) has sent to the corporation the notice referred to in subsection (10); and
- (b) has not accepted an offer made by the corporation under subsection (15), if such an offer was made,

of the date, place and consequences of the application and of the dissenting shareholder's right to appear and be heard in person or by counsel, and a similar notice shall be given to each dissenting shareholder who, after the date of such first mentioned notice and before termination of the proceedings commenced by the application, satisfies the conditions set out in clauses (a) and (b) within three days after the dissenting shareholder satisfies such conditions.

Parties joined

(23) All dissenting shareholders who satisfy the conditions set out in clauses (22) (a) and (b) shall be deemed to be joined as parties to an application under subsection (18) or (19) on the later of the date upon which the application is brought and the date upon which they satisfy the conditions, and shall be bound by the decision rendered by the court in the proceedings commenced by the application.

Idem

(24) Upon an application to the court under subsection (18) or (19), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall fix a fair value for the shares of all dissenting shareholders.

Appraisers

(25) The court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

Final order

(26) The final order of the court in the proceedings commenced by an application under subsection (18) or (19) shall be rendered against the corporation and in favour of each dissenting shareholder who, whether before or after the date of the order, complies with the conditions set out in clauses (22) (a) and (b).

Interest

(27) The court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

Where corporation unable to pay

(28) Where subsection (30) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (26), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

Idem

(29) Where subsection (30) applies, a dissenting shareholder, by written notice sent to the corporation within thirty days after receiving a notice under subsection (28), may,

- (a) withdraw a notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder's full rights are reinstated; or
- (b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

Idem

(30) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that,

- (a) the corporation is or, after the payment, would be unable to pay its liabilities as they become due;
or
- (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

Court order

(31) Upon application by a corporation that proposes to take any of the actions referred to in subsection (1) or (2), the court may, if satisfied that the proposed action is not in all the circumstances one that should give rise to the rights arising under subsection (4), by order declare that those rights will not arise upon the taking of the proposed action, and the order may be subject to compliance upon such terms and conditions as the court thinks fit and, if the corporation is an offering corporation, notice of any such application and a copy of any order made by the court upon such application shall be served upon the Commission.

Commission may appear

(32) The Commission may appoint counsel to assist the court upon the hearing of an application under subsection (31), if the corporation is an offering corporation.

SCHEDULE F INFORMATION CONCERNING FLUENT

Forward-Looking Statements

Certain statements contained in this Schedule F constitute forward-looking statements. Such forward-looking statements relate to future events or FLUENT's future performance. See "Forward-Looking Information" in the Circular.

CORPORATE STRUCTURE

Name, Address and Incorporation

The full corporate name of FLUENT is "FLUENT Corp." FLUENT was incorporated under the laws of the Province of Ontario, Canada pursuant to the *Business Corporations Act* (Ontario) on August 31, 2018 under the name "Cansortium Inc." FLUENT's head office is located at 5251 E. Diana Street, Tampa, Florida 33610 and its registered office is located at 40 Temperance Street, Suite 3200, Toronto, Ontario, M5H 0B4.

On March 21, 2019, FLUENT completed its initial public offering. The Common Shares are listed on the CSE under the trading symbol "FNT.U" and are quoted on the OTCQB Venture Market under the trading symbol "CNTMF".

On October 30, 2018, FLUENT amended the FLUENT Articles to, among other things, create the Proportionate Voting Shares, with each Proportionate Voting Share convertible, at the option of the holder, into 10 Common Shares. For more information regarding the Common Shares and the Proportionate Voting Shares, see "Description of Share Capital and Securities".

On March 13, 2019, FLUENT amended the FLUENT Articles to, among other things, increase the number of directors of FLUENT to a minimum of three and a maximum of 15 and amend the conversion rights attached to the Proportionate Voting Shares.

On December 18, 2024, FLUENT amended the FLUENT Articles to create a new class of Non-Voting Shares, with each Non-Voting Share exchangeable, at the option of the holder, into one Common Share, and restate the rights of the Common Shares and Proportionate Voting Shares to include "coattail" provisions that prohibit the transfer, directly or indirectly, of any Common Shares or Proportionate Voting Shares pursuant to a take-over bid (as defined in applicable securities legislation) under circumstances in which applicable securities laws would have required the same offer to be made to holders of Non-Voting Shares. For more information regarding the Non-Voting Shares, see "Description of Share Capital and Securities".

On February 5, 2025, FLUENT amended the FLUENT Articles to change its name from "Cansortium Inc." to "FLUENT Corp."

Intercorporate Relationships

The following table presents the Subsidiaries of FLUENT, together with the jurisdiction of incorporation of each subsidiary and the percentage of voting securities beneficially owned or over which control or direction is exercised, directly or indirectly, by FLUENT as of the Record Date:

Business Name	Percent (%) Ownership December 31, 2025	Jurisdiction of Incorporation
Cansortium International Inc.	100%	Ontario

Cansortium Canada Holdings Inc.	100%	Ontario
Cansortium Holdings LLC	100%	Florida
Cansortium Puerto Rico, LLC	100%	Puerto Rico
Cansortium Texas, LLC	100%	Texas
Fluent Servicing, LLC	100%	Florida
Cansortium Florida, LLC	100%	Florida
Cansortium Colombia S.A.S. (1)	50%	Colombia
Spirit Lake Road Nursery, LLC	100%	Florida
Cavern Capital Holdings LLC	100%	Wyoming
Fluent Hemp, LLC	100%	Florida
Trick Tail Capital, LLC	100%	Wyoming
RIV Capital Inc.	100%	Ontario
2683922 Ontario Inc.	100%	Ontario
RIV Capital US Corporation	100%	Delaware
RIV Capital US Services LLC	100%	Delaware
Allgro Holdings LLC	100%	Delaware
Etain, LLC	100%	New York
LW1 Operator, LLC	100%	Delaware

Notes:

(1) Cansortium Colombia S.A.S. was 50% divested in 2020 and FLUENT does not have significant influence over the entity.

GENERAL DEVELOPMENT OF THE BUSINESS

Overview

As further described herein, FLUENT is a vertically-integrated multi-state cannabis operator in the U.S. FLUENT, through its Subsidiaries, is licensed to produce and sell medical and adult-use cannabis in New York, and medical cannabis in Florida and Texas.

The highlights relating to the development of FLUENT's business over the past three years are described below.

Three Year History

FLUENT's Fiscal Year Ended December 31, 2023

2023 Private Placement

On February 28, 2023, FLUENT closed a non-brokered private placement offering (the "**2023 Private Placement**") of 30,000,000 units of FLUENT (each, a "**2023 Unit**") at a price of \$0.10 per Unit for aggregate gross proceeds of \$3,000,000. Each 2023 Unit was comprised of one Common Share and one-half of one

common share purchase warrant (each, a “**2023 Warrant**”), with each 2023 Warrant entitling the holder to purchase one Common Share at an exercise price of \$0.15 per Common Share until February 28, 2026.

William Smith, a director and the Executive Chairman of FLUENT invested \$1,000,000 in the 2023 Private Placement and received 10,000,000 Common Shares and 5,000,000 2023 Warrants. In connection with the 2023 Private Placement, Can Endeavour, an entity owned or controlled by, Mr. Smith received \$870,000 in outstanding consulting fees.

Management and Board Changes

FLUENT announced: (i) the appointment of Jeffrey Batliner as Chief Financial Officer of FLUENT on March 14, 2023; (ii) the departure of John McKimm as a director of FLUENT on June 30, 2023; and (iii) the addition of John Mazarakis as a director of FLUENT on July 13, 2023. On September 1, 2023, Todd Buchman stepped down from the position of Chief Legal Officer of FLUENT.

Litigation Settlement with MXY Holdings, Inc. and Florida Leasing and Consulting, LLC

On April 26, 2021, MXY Holdings, Inc. (“**MXY**”) and Florida Leasing and Consulting, LLC (“**Florida Leasing**”) brought an action against FLUENT in the state of Florida for breach of a management services agreement for certain management consulting services. On February 7, 2023, FLUENT entered into a settlement agreement and mutual general release with MXY and Florida Leasing pursuant to which FLUENT agreed to pay to MXY an aggregate of \$1,000,000, which has since been paid in full.

Internal Reorganization

On December 22, 2023, FLUENT dissolved its wholly-owned subsidiary, Consortium Beverage Corporation Inc.

FLUENT’s Fiscal Year Ended December 31, 2024

Management Changes

On May 13, 2024, Jeffrey Batliner stepped down from the position of Chief Financial Officer of FLUENT and Patricia Fonseca was re-appointed as Chief Financial Officer of FLUENT, each effective as of the same date.

In connection with the 2024 Arrangement, John Mazarakis resigned as a director of FLUENT on December 19, 2024.

Commercial Lease in Tampa, Florida

On January 8, 2024, FLUENT entered into a commercial lease with Nittany Management, LLC (the “**Rosa Lease**”). Nittany Management, LLC, is owned by William Smith, a director and the Executive Chair of FLUENT. The Rosa Lease is for the Rosa Facility, a cultivation facility located in Tampa, Florida, and the property includes a 20,000 square foot building. The Rosa Lease has a ten-year term, with rent payments commencing six months after FLUENT took possession of the property. Base rent was \$351,600 a year, with annual increases of 3%. In 2025, the annual rent was \$362,148, and the 2026 base rent is \$373,012. The Rosa Lease was amended on May 28, 2024. Under the terms of the amendment, FLUENT is required to pay an additional \$1,360,000, plus 13% simple interest, as consideration for a waiver by the landlord of certain alleged breaches by FLUENT under the lease. FLUENT must make at least six installment payments (of at least \$45,000) per year on this additional amount, which is due in full on May 31, 2027.

2024 Arrangement Agreement

On May 30, 2024, FLUENT entered into an arrangement agreement (the “**2024 Arrangement Agreement**”) with RIV Capital Inc. (“**RIV Capital**”), pursuant to which, on December 19, 2024, FLUENT acquired all of the issued and outstanding Class A common shares of RIV Capital (the “**RIV Capital Shares**”) in exchange for Common Shares on the basis of 1.245 of a Common Share (the “**2024 Exchange Ratio**”) for each

issued and outstanding RIV Capital Share held (the “**2024 Arrangement**”). The 2024 Arrangement was implemented pursuant to, and in accordance with the provisions of, a plan of arrangement under Section 182 of the OBCA (the “**2024 Plan of Arrangement**”). Following completion of the 2024 Arrangement, RIV Capital became a wholly-owned subsidiary of FLUENT and the former shareholders of RIV Capital and The Hawthorne Collective, together, held approximately 48.75% of the outstanding Common Shares, and the Shareholders immediately prior to the 2024 Arrangement held the remaining approximately 51.25% of the outstanding Common Shares, on a fully diluted basis. In addition, the holders of stock options of RIV Capital to purchase RIV Capital Shares received an aggregate of 1,020,900 replacement options to purchase Common Shares, with an exercise price on the same economic terms based on the 2024 Exchange Ratio in accordance with the 2024 Plan of Arrangement and governed by the terms of the FLUENT Option Plan.

In connection with the 2024 Arrangement Agreement, certain of RIV Capital's directors and officers and a significant shareholder holding an aggregate 20.2% of the RIV Capital Shares entered into voting support agreements with FLUENT to, among other things, vote in favour of the 2024 Arrangement.

Upon completion of the 2024 Arrangement, the Board consisted of seven directors, which included: (i) two directors that were members of the Board immediately prior to the 2024 Arrangement, plus one independent member (within the meaning of NI 52-110); (ii) two members of the board of directors of RIV Capital, plus one independent member; and (iii) Robert Beasley, who was the former Chief Executive Officer of FLUENT.

A full description of the 2024 Arrangement is set forth in the management information circular of RIV Capital, which is filed with the Canadian securities regulators and available on RIV Capital's profile on SEDAR+ at www.sedarplus.ca.

A copy of the 2024 Arrangement Agreement is available on FLUENT's SEDAR+ profile at www.sedarplus.ca.

Hawthorne Notes Exchange

In connection with the 2024 Arrangement, FLUENT and The Hawthorne Collective entered into a letter agreement dated May 30, 2024, whereby the parties agreed to enter into an exchange and protection agreement (the “**Exchange and Protection Agreement**”) on the business day immediately prior to the closing date of the 2024 Arrangement. On December 18, 2024, FLUENT and The Hawthorne Collective entered into the Exchange and Protection Agreement, pursuant to which, among other things, The Hawthorne Collective transferred and assigned its existing unsecured convertible notes that were issued by RIV Capital for an aggregate principal amount of \$175,000,000, including any previously accrued and unpaid interest, in exchange for 153,069,395 Non-Voting Shares (the “**Hawthorne Notes Exchange**”), which were subsequently cancelled following completion of the 2024 Arrangement. For more information regarding the Non-Voting Shares, see “*Description of Share Capital and Securities*”.

FLUENT held an annual general and special meeting of shareholders on August 27, 2024, where the Shareholders approved a special resolution authorizing an amendment to the FLUENT Articles to, among other things, create the Non-Voting Shares. On July 18, 2025, The Hawthorne Collective converted all of its Non-Voting Shares into 153,069,395 Common Shares; see “*Fiscal Year Ended December 31, 2025*” for further information.

Exchange and Protection Agreement

The Exchange and Protection Agreement provided that during the period commencing on the effective date of the 2024 Arrangement until the conversion of the Non-Voting Shares (the “**Interim Period**”), except: (i) with the prior consent of The Hawthorne Collective, (ii) as expressly required or permitted by the CSE and the Exchange and Protection Agreement, or (iii) as required by applicable laws, (A) FLUENT and its Subsidiaries were required to conduct its business in the ordinary course and in accordance with its organizational documents and all applicable laws, with the exception of the CSA, as it applies to marijuana or any other United States federal cannabis laws, and (B) FLUENT and its Subsidiaries were not permitted to, directly or indirectly (subject to the limitations and exceptions provided in the Exchange and Protection Agreement): (i) amend its organizational documents; (ii) declare, set aside or pay any dividend or other distribution of any kind or nature (whether in cash, stock or property or any combination thereof) in respect

of any securities, other than dividends or other distributions between FLUENT and wholly-owned Subsidiaries; (iii) redeem, repurchase, or otherwise acquire, or offer to redeem, repurchase or otherwise acquire, any securities of FLUENT; (iv) amend the terms of the Non-Voting Shares; (v) amend the terms of any other securities of FLUENT or any subsidiary in a way that would disproportionately and adversely impact The Hawthorne Collective in its capacity as the holder of the Non-Voting Shares, as determined by the Board, acting in good faith; (vi) reorganize, amalgamate or merge FLUENT or any Subsidiary with a third-party; (vii) undertake any voluntary dissolution, liquidation or winding-up of FLUENT or any Subsidiary or any other distribution of assets of FLUENT or any Subsidiary for the purpose of winding-up its affairs; (viii) adopt a plan of liquidation or resolution providing for the liquidation or dissolution of FLUENT or any of its Subsidiaries; (ix) incur debt that in the aggregate exceeds a specified threshold; (x) enter into any contract containing any provision restricting, impeding or preventing The Hawthorne Collective from converting the Non-Voting Shares into Common Shares; (xi) knowingly take any action or fail to take any action which action or failure to act would result in the loss, expiration or surrender of, or the loss of any material benefit under, or could reasonably be expected to cause any governmental body to institute proceedings for the suspension, revocation or limitation of rights under, any material authorizations necessary to conduct its businesses as now conducted, or fail to prosecute any pending applications to any governmental bodies for material authorizations; (xii) take any action, or refrain from taking any action, or permitting any action to be taken or not taken, which would reasonably be expected to prevent, materially delay or otherwise impede the ability for The Hawthorne Collective to convert the Non-Voting Shares into Common Shares; or (xiii) authorize, agree, resolve or otherwise commit, whether or not in writing, to do any of the foregoing.

In addition, during the Interim Period, the Exchange and Protection Agreement required FLUENT to, among other things: (a) preserve and maintain the existence of FLUENT and its Subsidiaries; (b) take all actions reasonably necessary or desirable to maintain FLUENT's and its Subsidiaries' good standing and qualification to conduct business in its jurisdiction of formation and in any other jurisdiction in which it is required to be so qualified; (c) prepare and file when due all tax returns required to be filed by FLUENT and its Subsidiaries, and pay or cause to be paid all taxes due on such tax returns; (d) take all reasonable steps and actions that are within its power and control to obtain and maintain all material third party or other consents, waivers, permits, exemptions, orders, approvals, agreements, amendments or confirmations that are required in order to permit the conversion of the Non-Voting Shares by The Hawthorne Collective into Common Shares, in accordance with and as more particularly set out in the Exchange and Protection Agreement; (e) oppose, lift or rescind any injunction, restraining or other order, decree or ruling, and defend or cause to be defended, any proceedings seeking to restrain, enjoin or otherwise prohibit or delay or otherwise adversely affect the ability for The Hawthorne Collective to convert the Non-Voting Shares into Common Shares; and (f) maintain, or cause to be maintained, public liability and casualty insurance, all in such form, coverages and amounts as are reasonably consistent with FLUENT's best practice. The Exchange and Protection Agreement also included various information rights in favour of The Hawthorne Collective of certain specified developments and provide ongoing quarterly and annual financial information.

Pursuant to the Exchange and Protection Agreement, The Hawthorne Collective was prohibited from converting its Non-Voting Shares into Common Shares where such conversion would result in The Hawthorne Collective, together with any person or company acting jointly or in concert with The Hawthorne Collective having an aggregate beneficial ownership of, or control or direction over, directly or indirectly, over 19.99% of the issued and outstanding voting securities of FLUENT immediately after giving effect to such conversion, unless and until FLUENT had received the necessary shareholder approval in accordance with all applicable policies of the CSE.

The Exchange and Protection Agreement was terminated on July 18, 2025, when The Hawthorne Collective converted all of its Non-Voting Shares into 153,069,395 Common Shares; see "*Fiscal Year Ended December 31, 2025*" for further information. The foregoing description of the Exchange and Protection Agreement is qualified in its entirety by reference to the full text of the Exchange and Protection Agreement, which is available under FLUENT's profile on SEDAR+ at www.sedarplus.ca.

Smith Transaction

On August 13, 2018, FLUENT and certain of its affiliates entered into the Smith Transaction Agreement (as amended on January 1, 2019, January 16, 2020 and December 21, 2022, (the “**Smith Transaction Agreement**”) with the Smith Group, to acquire the Smith Group’s interest in Fluent Servicing from the Smith Note Holder for an aggregate purchase price of \$23,325,000, which was satisfied by the issuance of 4,400,000 membership units of Cansortium Holdings. The membership units of Cansortium Holdings were subsequently exchanged for 4,400,000 Common Shares, which were subject to a minimum price “floor” of \$2.75 (the “**Initial Floor**”), and the issuance of a promissory note to the Smith Note Holder in the aggregate principal amount of \$11,225,000 (the “**Initial Smith Note**”).

On January 1, 2019, FLUENT, certain of its affiliates, and the Smith Group entered into Amendment No. 1 to the Smith Transaction Agreement, pursuant to which the parties agreed to, among other things, extend the payment terms and amend the principal amount of the Initial Smith Note to \$12,561,477.59. On January 16, 2020, the parties thereto entered into Amendment No. 2 to the Smith Transaction Agreement, which among other things, reduced the Initial Floor from \$2.75 to \$0.65 (the “**Amended Floor**”) per Common Share in exchange for: (i) the issuance of an amended and restated promissory note in the aggregate principal amount of \$12,933,290.02, (ii) the transfer of an additional 14,215,385 Common Shares (or equivalent Proportionate Voting Shares) held by certain directors and officers of FLUENT, and (iii) the right of the Smith Note Holder to nominate two members of the Board, one of which was to be William Smith.

On May 6, 2021, FLUENT satisfied its obligations under the amended note, as the Smith Note Holder elected to convert the principal amount owing into 21,555,483 Common Shares at a price of \$0.60 per Common Share and all accrued and unpaid interest owing under such note was repaid by FLUENT in cash.

On December 21, 2022, FLUENT, certain of its affiliates, and the Smith Group entered into a third amendment to the Smith Transaction Agreement, pursuant to which the parties agreed to, among other things, reduce the Amended Floor from \$0.65 to \$0.40 per Common Share (the “**Floor**”) in exchange for the issuance by FLUENT of an additional 11,634,615 Common Shares to the Smith Note Holder at a deemed price of \$0.12 per Common Share, resulting in a total of 30,250,000 Common Shares (on an as converted basis) being subject to the Floor until December 31, 2025 (the “**Floor Expiration Date**”), which entitled the Smith Group to an aggregate of up to \$12,100,000 in the event the Smith Group elected to sell its Common Shares at a price that is below the Floor (the “**Floor Entitlement**”). Pursuant to the Smith Transaction Agreement, if on or prior to the Floor Expiration Date, the Smith Group elected to sell some or all of its Common Shares that were subject to the Floor, and the proposed purchase price of such Common Shares was less than \$0.40 per Common Share, then the Company could either purchase all or any portion of the Common Shares proposed to be sold by the Smith Group for \$0.40 per Common Share or elect to pay in cash the difference between \$0.40 per Common Share and the actual sale price per Common Share received by the Smith Group in such sale.

In connection with the 2024 Arrangement, FLUENT, certain of its affiliates and the Smith Group entered into a termination agreement dated May 30, 2024 (the “**Smith Transaction Termination Agreement**”), which, effective upon the completion of the 2024 Arrangement, provided for the termination of the Smith Transaction Agreement. Pursuant to the terms of the Smith Transaction Termination Agreement, upon consummation of the 2024 Arrangement, the Smith Group would no longer be entitled to the Floor Entitlement, and in consideration thereof, on closing of the 2024 Arrangement, FLUENT would be required to, among other things, issue to the Smith Note Holder the Smith Convertible Note.

On November 26, 2024, FLUENT entered into the Amended Smith Transaction Termination Agreement to replace in its entirety the Smith Transaction Termination Agreement, as further discussed below under the heading “*Amended Smith Transaction Termination Agreement*”.

Bridge Financing and Bridge Note

In connection with the 2024 Arrangement, RIV Capital US Corporation, a wholly-owned subsidiary of RIV Capital, entered into an unsecured 10% interest-bearing bridge loan with FLUENT pursuant to which RIV

Capital US Corporation agreed to advance up to an aggregate principal amount of \$8,975,000 (the “**Bridge Loan**”). The Bridge Loan was evidenced by an unsecured convertible promissory note (the “**Bridge Note**”) issued to and in favour of RIV Capital US Corporation. The principal amount outstanding under the Bridge Note, along with any accrued but unpaid interest, was automatically convertible into Common Shares upon the occurrence of certain events of default, and at the option of RIV Capital US Corporation on the business day immediately preceding the maturity date of May 1, 2025, in each case at a price of \$0.17 per Common Share. Following completion of the 2024 Arrangement, the Bridge Note was assigned to RIV Capital and subsequently cancelled.

Investor Rights Agreements

In connection with the Hawthorne Notes Exchange and the Smith Transaction, and as a condition precedent to the completion thereof, FLUENT entered into the Investor Rights Agreements. The Investor Rights Agreements contain substantially similar terms providing for, among other things, the right of The Hawthorne Collective and the Smith Group to each nominate up to two directors to the Board, provided, however, that (i) the number of nominees will be reduced to one if The Hawthorne Collective or the Smith Group’s beneficial ownership is less than 5% of FLUENT and (ii) The Hawthorne Collective or the Smith Group will not have any nomination rights if The Hawthorne Collective or the Smith Group ceases to own at least 10,000,000 Common Shares (including any Common Shares underlying any convertible securities beneficially owned or controlled by The Hawthorne Collective, the Smith Group and their respective affiliates), which number is subject to the Beneficial Ownership Requirement. Concurrently with the closing of the 2024 Arrangement, FLUENT increased the size of its Board, which included the addition of two nominees of The Hawthorne Collective, being Christopher Hagedorn and Dawn Sweeney, and two nominees of the Smith Group, being William Smith and Mark Eckenrode.

For so long as the Beneficial Ownership Requirement is satisfied, The Hawthorne Collective and the Smith Group will also have certain participation rights in order to maintain its pro rata equity ownership position in FLUENT in connection with any offering of Common Shares, or securities exercisable, convertible or exchangeable for Common Shares, subject to certain exceptions. The Investor Rights Agreements provide The Hawthorne Collective and the Smith Group with certain other customary rights, including demand registration rights, piggyback registration rights and information rights.

The Hawthorne Collective, the Smith Group and their respective affiliates were subject to certain standstill restrictions until December 18, 2025 and December 19, 2025, respectively. The Investor Rights Agreements, and all rights of The Hawthorne Collective and the Smith Group contained therein, will expire when The Hawthorne Collective or the Smith Group, as applicable, ceases to meet the Beneficial Ownership Requirement.

The foregoing description of the Investor Rights Agreements is qualified in its entirety by reference to the full text of the Investor Rights Agreements, which are available under FLUENT’s profile on SEDAR+ at www.sedarplus.ca.

The Investor Rights Agreements will be terminated upon completion of the Arrangement. For further information see “*Transaction Agreements – The Support Agreements*” in the Circular.

First Credit Agreement Amendment

On April 29, 2021, Consortium Holdings, a wholly-owned subsidiary of FLUENT, as borrower, entered into a credit agreement (the “**First Credit Agreement**”) with Acquiom Agency Services LLC, as administrative agent and collateral agent, Seaport Global Securities LLC, as placement agent, and each of the lenders party thereto (the “**Lenders**”) for a senior secured credit facility in the aggregate principal amount of \$71,000,000 (the “**Term Loan**”), bearing interest at a rate of 13% per annum, payable quarterly, and has a stated maturity of April 29, 2025 that has a prepayment premium until the 42-month anniversary of the effective date of the First Credit Agreement. The Term Loan consisted of a: (i) \$50 million tranche priced with an original issue discount of three percent (3%), plus FLUENT issued an aggregate of 12,500,000 common share purchase warrants to certain Lenders (the “**Lender Warrants**”), with each Lender Warrant entitling the holder to purchase one Common Share at a price of \$1.20 per Common Share until April 29,

2025; and (ii) a \$21,000,000 tranche priced with an original issue discount of seven percent with no equity component. Odyssey Trust Company, as warrant agent, was the registrar for certain of the Lender Warrants pursuant to a Warrant Registrar Agreement dated March 1, 2024.

In connection with the 2024 Arrangement, FLUENT entered into a First Amendment to Credit Agreement and Consent to Arrangement dated May 30, 2024 (the “**Amended Credit Agreement**”) by and among, *inter alios*, Consortium Holdings, the Lenders party thereto from time to time, and Acquiom Agency Services LLC, as administrative agent and collateral agent for the Lenders, which amended the First Credit Agreement, in order to, among other things: (i) obtain the consent of the Lenders to the entering into of the 2024 Arrangement Agreement; (ii) obtain the consent of the Lenders to the consummation of the 2024 Arrangement; and (iii) agree to certain amendments to the First Credit Agreement to permit the 2024 Arrangement and any necessary transactions reasonably required therein in order to enter into and perform obligations under the 2024 Arrangement, including to provide for the issuance of: (A) the Bridge Note to RIV Capital US Corporation, and (B) the Smith Convertible Note to be issued by FLUENT to the Smith Group concurrently with the consummation and effectiveness of the 2024 Arrangement .

On November 26, 2024, FLUENT entered into the FLUENT Credit Agreement, which among other things, refinanced the Amended Credit Agreement that was set to mature on May 29, 2025, thereby eliminating the requirement that FLUENT prepay \$10,000,000 upon the consummation of the 2024 Arrangement with RIV Capital, as further discussed below under the heading “*Refinancing of First Credit Agreement*”.

Refinancing of First Credit Agreement

On November 26, 2024, FLUENT entered into the FLUENT Credit Agreement for a senior secured credit facility of up to \$96,500,000 with Chicago Atlantic Financial Services, LLC, as successor administrative agent for certain lenders. The FLUENT Credit Agreement bears a cash interest rate of 12.00% per annum and paid-in-kind interest of 1.00% per annum, and is due to mature on November 26, 2028. The FLUENT Credit Agreement provides for an initial loan of \$71,500,000 and access to two additional credit lines of \$10,000,000 for future real estate acquisitions and construction projects, and \$15,000,000 in the event that FLUENT desires to acquire RIV Capital's Buffalo cultivation and processing facility. The additional credit lines are no longer available as of the date hereof.

The FLUENT Credit Agreement includes a single financial covenant requiring FLUENT to maintain a minimum unrestricted cash balance of \$4,500,000, tested at the end of each fiscal quarter, and includes customary terms and conditions for a financing of this type, including repayment obligations upon the occurrence of certain events of default thereunder. On March 17, 2026, FLUENT entered into an amendment to the FLUENT Credit Agreement, pursuant to which, among other things, (i) the aforementioned liquidity covenant was reduced to \$2,000,000 for the period from March 17, 2026, to November 24, 2028 and (ii) FLUENT is permitted to draw up to an additional \$6,000,000 under the FLUENT Credit Agreement. See “*General Development of the Business – Recent Developments*” for further information.

The foregoing description of the FLUENT Credit Agreement is qualified in its entirety by reference to the full text of the FLUENT Credit Agreement, a copy of which is available under FLUENT's profile on SEDAR+ at www.sedarplus.ca.

Amended Smith Transaction Termination Agreement

Concurrently with closing the FLUENT Credit Agreement, FLUENT, certain of its affiliates and the Smith Group entered into an amended and restated termination agreement (the “**Amended Smith Transaction Termination Agreement**”) to replace in its entirety the Smith Transaction Termination Agreement and which provided for, among other things, the termination of the Smith Transaction Agreement and the Floor Entitlement, in exchange for a \$500,000 fee in cash and the issuance of a 15% secured subordinate convertible note in an initial aggregate principal amount of \$6,500,000 due November 26, 2029 (the “**Smith Convertible Note**”). The Smith Convertible Note is subordinated in right of payment to prior payment in full of the FLUENT Credit Agreement pursuant to a subordination agreement. The Smith Convertible Note is convertible, at the discretion of the Smith Note Holder, into Common Shares at a price of \$0.21 per Common

Share. Assuming full conversion of the Smith Convertible Note, including the full amount of the anticipated accrued interest over the life of the Smith Convertible Note, the Smith Note Holder would be entitled to receive 60,026,535 Common Shares.

The foregoing description of the Amended Smith Transaction Termination Agreement is qualified in its entirety by reference to the full text of the Amended Smith Transaction Termination Agreement, a copy of which is available under FLUENT's profile on SEDAR+ at www.sedarplus.ca.

Internal Reorganization

On October 21, 2024, FLUENT dissolved its wholly-owned Subsidiaries, Consortium Michigan LLC and Harvest Park Lot 9 Investors No. 2 LLC.

On November 4, 2024, FLUENT dissolved its wholly-owned subsidiary, Harvest Park Lot 9 Investors LLC.

Fiscal Year Ended December 31, 2025

Name Change and Trading Symbol

At the annual and special meeting of Shareholders held on July 21, 2022, Shareholders approved, among other things, an amendment to FLUENT Articles to change the name of FLUENT from "Consortium Inc." to "FLUENT Corp." On February 5, 2025, FLUENT filed articles of amendment to change its name to "FLUENT Corp." and shortly thereafter changed the trading symbol for the Common Shares to "FNT.U".

Management and Board Changes

FLUENT announced: (i) the addition of Peter Shulmin as a director of FLUENT on July 1, 2025; and (ii) the resignation of Robert Beasley as Chief Executive Officer of FLUENT and the appointment of David Vautrin as Interim Chief Executive Officer of FLUENT on August 6, 2025.

On November 14, 2025, Peter Shulmin resigned from the Board and effective as of the same date, Seth Sholes was appointed to the Board to fill the vacancy.

Conversion of Non-Voting Shares

On July 18, 2025, The Hawthorne Collective exercised the conversion right attaching to its Non-Voting Shares by converting all 153,069,395 of its Non-Voting Shares into 153,069,395 Common Shares.

2025 Debt Settlements

On February 7, 2025, FLUENT issued to its Board members 1,657,063 Common Shares as compensation for their service on the Board during the fourth quarter of fiscal 2024. Such Common Shares were issued to its Board members at fair value, being the trading price of the Common Shares on the CSE on the date of issuance.

On July 24, 2025, FLUENT issued to its Board, 2,750,000 Common Shares as compensation to certain of its directors in exchange for the cancellation of \$137,500 of director fees owing for the period of April 1, 2025 to June 30, 2025, which was previously approved by the Board. The Common Shares were issued at a price equal to the closing market price of the Common Shares on the CSE on June 30, 2025, being \$0.05, in accordance with the policies of the CSE.

Parks and Long Loan

On July 20, 2025, FLUENT entered into a loan agreement with Parks and Long Healthcare Constructions and Compliance LLC for the repayment of the Rosa Facility. The terms of such loan agreement are set to repay the aggregate construction balance owing in the amount of \$784,000 plus a 7% fee, for twelve months

equal monthly payments ending in June 2026. As of the Record Date, there are no outstanding amounts payable under this loan.

2025 Private Placement

On September 6, 2025, FLUENT completed a non-brokered private placement offering of 3,500,000 Common Shares at a price of \$0.06 per Common Share for aggregate gross proceeds of \$210,000. The private placement was completed solely with FLUENT's Interim Chief Executive Officer, David Vautrin, in connection with his employment agreement with FLUENT.

Sale of Pennsylvania Operations

On December 31, 2025, pursuant to the terms of an equity purchase agreement among HIVE Holdings, Inc. ("**HIVE**"), Consortium Holdings LLC ("**Cansortium Holdings**"), Consortium Pennsylvania, LLC ("**Cansortium Pennsylvania**") and Trick Tail Capital, LLC, dated December 31, 2025 (the "**Equity Purchase Agreement**"), FLUENT completed the sale of its Pennsylvania operations to HIVE. Pursuant to the terms of the Equity Purchase Agreement, Consortium Holdings transferred all of the issued and outstanding equity interests of Consortium Pennsylvania (the "**Pennsylvania Equity Interests**") to HIVE. The aggregate purchase price payable by HIVE in exchange for the Pennsylvania Equity Interests was \$12.5 million in cash.

In order to facilitate the sale of the Pennsylvania Equity Interests, the FLUENT Credit Agreement was amended in order to, among other things, permit the sale of the Pennsylvania Equity Interests and the net proceeds from the transaction, being \$11,600,295, were used to reduce FLUENT's outstanding debt pursuant to the FLUENT Credit Agreement.

The foregoing description of the Equity Purchase Agreement is qualified in its entirety by reference to the full text of the Equity Purchase Agreement, a copy of which is available under FLUENT's profile on SEDAR+ at www.sedarplus.ca.

Recent Developments

On February 3, 2026, FLUENT announced the opening of its newest medical cannabis dispensary at 848 W Sand Lake Road, Orlando, FL 32809.

On March 17, 2026, FLUENT entered into an amendment to the FLUENT Credit Agreement. Pursuant to the amendment, FLUENT is permitted to draw up to an additional \$6,000,000 under the FLUENT Credit Agreement in the form of the additional term loans which bear a paid-in-kind interest ("**PIK Interest**") rate of 13.00% per annum and is due to mature on December 31, 2026. The additional term loans are subject to an exit fee of (i) an amount equal to two times the aggregate principal amount of the additional term loans advanced minus (ii) the sum of (A) the aggregate principal amount of the additional term loans (excluding all PIK Interest deemed to form part of the principal amount of the additional term loans) plus (B) the aggregate amount of interest paid by the borrowers on the additional term loans. In connection with the amendment to the FLUENT Credit Agreement, FLUENT's lenders reduced the quarterly liquidity covenant from \$4,500,000 to \$2,000,000 for the period from March 17, 2026, to November 24, 2028.

The foregoing description of the amendment to the FLUENT Credit Agreement is qualified in its entirety by reference to the full text of the amendment to the FLUENT Credit Agreement, a copy of which is available under FLUENT's profile on SEDAR+ at www.sedarplus.ca.

On April 29, 2026, FLUENT and Vireo entered into the Arrangement Agreement, pursuant to which Vireo agreed to acquire all of the issued and outstanding FLUENT Shares. The Arrangement Agreement was amended on June 8, 2026. The Arrangement will be effected by way of a court-approved plan of arrangement under section 182 of the OBCA. Under the Arrangement, each registered holder of Common Shares (after conversion of the (i) Proportionate Voting Shares; and (ii) Non-Voting Shares) (other than Dissenting Shareholders) will receive 0.002351197 Vireo Shares for each Common Share held. If the Arrangement is completed, FLUENT will become a wholly-owned Subsidiary of Vireo. Please refer to the

section entitled “*The Arrangement – Details of the Arrangement*” in the Circular for further details regarding the Arrangement.

On April 29, 2026, Christopher Hagedorn resigned from the Board.

On May 1, 2026, FLUENT entered into a definitive agreement (the “**Texas Purchase Agreement**”) with Legacy Therapeutics, LLC (“**Legacy**”), pursuant to which Legacy agreed to acquire 100% of the issued and outstanding equity interests in the Texas Subsidiary (the “**Texas Transaction**”). The Texas Transaction contemplates the sale of FLUENT’s Texas business operations, which includes the Texas Subsidiary’s Texas license, cultivation, manufacturing, and delivery business in Schulenburg, Texas, as well as its Houston retail operations. Pursuant to the terms of the Texas Purchase Agreement, the aggregate purchase price payable by Legacy is equal to \$30M, of which \$25M will be payable at closing of the Texas Transaction and an amount equal to \$2.5M will be payable on each of the first and second anniversaries of the closing date of the Texas Transaction. The completion of the Texas Transaction is subject to receipt of all required regulatory approvals and the satisfaction or waiver of certain other customary closing conditions.

The foregoing description of the Texas Purchase Agreement is qualified in its entirety by reference to the full text of the Texas Purchase Agreement, a copy of which is available under FLUENT’s profile on SEDAR+ at www.sedarplus.ca.

On April 1, 2026, FLUENT discontinued operations at the Ruskin Facility in Florida and vacated the lease.

In May 2026, FLUENT provided 90-day notice to employees that it would wind-down operations in its Chestertown facility in New York.

In May 2026, FLUENT ceased operations at its Manhattan and Kingston retail locations in New York.

On June 12, 2026, David Vautrin resigned as Interim Chief Executive Officer of FLUENT and Matt Mundy was appointed Interim Chief Executive Officer of FLUENT.

Significant Acquisitions

While FLUENT completed the 2024 Arrangement with RIV Capital on December 18, 2024, the 2024 Arrangement was not considered a significant acquisition for the purposes of Part 8 of National Instrument 51-102 - *Continuous Disclosure Obligations*.

DESCRIPTION OF THE BUSINESS

Corporation Overview

FLUENT, through its various U.S. Subsidiaries, is licensed to produce and sell medical and adult-use cannabis in New York, medical cannabis in Florida and Texas. FLUENT operates under the FLUENT™ brand and is dedicated to being one of the highest quality cannabis companies for the communities it serves. FLUENT is headquartered in Tampa, Florida. As of the date of this Circular, in the U.S., FLUENT has consolidated operations in three states and operates 34 active dispensaries and seven cultivation and manufacturing facilities, four of which are also processing sites through which FLUENT produces and packages cannabis products for distribution and sale.

FLUENT discontinued operations in Pennsylvania on December 31, 2025, when it completed the sale of its Pennsylvania operations to HIVE See “*General Development of the Business – Fiscal Year Ended December 31, 2025 – Sale of Pennsylvania Operations*” for further information.

Internationally, FLUENT discontinued its operations in Puerto Rico, Canada and Colombia during 2019 and in Brazil during 2022 and does not currently operate outside of the U.S.

All of FLUENT’s operations are in one reportable segment, the cultivation, production and sale of medical and adult-use cannabis. The following table outlines the revenue for each category of products that

accounted for 15% or more of the total consolidated revenue for each of FLUENT's two most recently completed financial years. Table is reflective of revenue from both continuing and discontinued operations

Product	Year Ended December 31, 2025	Year Ended December 31, 2024
Cannabis Products	\$100,792,330 (99.4%)	\$102,691,933 (99.2%)

In the U.S., licensing for medical or recreational cannabis cultivation, production, sale, and use is determined at a state level basis and not federally. Cultivation, sale and use of cannabis is illegal under federal law in the U.S. pursuant to the CSA, subject to certain exceptions in relation to medical cannabis. Each state which allows the production, sale and/or use of cannabis has its own legislation, rules, regulations and policies with respect to the licensing of medical or recreational cannabis-related activities. FLUENT believes that its operations are in full compliance with all applicable state and local laws, regulations and licensing requirements.

Florida

The vast majority of FLUENT's existing business takes place in the State of Florida in which FLUENT began operations in 2016. In the State of Florida, the Department of Health, Office of Medical Marijuana Use issues licenses to MMTCs to cultivate, process and sell medical cannabis (referred to as an **"MMTC License"**). FLUENT operates under an MMTC License issued to Spirit Lake Road Nursery, LLC, a wholly-owned indirect subsidiary of FLUENT (**"Spirit Lake"**). FLUENT, through its Subsidiaries, holds the following licenses in the State of Florida:

Holding Entity	Permit/License	Issuing Department	Term	Description
Spirit Lake Road Nursery, LLC dba Fluent	Medical Marijuana Treatment Center (License No. MMTC-2015- 00003)	State of Florida Department of Health, Office of Medical Marijuana Use	August 12, 2024 – August 12, 2026	License to operate a MMTC
	Certificate of Nursery Registration (Registration No. 48027835)	Florida Department of Agriculture and Consumer Services	October 8, 2025 – October 8, 2026	Registration for producing or growing plant material for sale or distribution
Fluent Servicing, LLC	Annual Food Permit (Permit No. 2026-R-2200164)	Florida Department of Agriculture and Consumer Services, Division of Food Safety	September 29, 2025 – October 1, 2026	Permit to sell food products directly to customers

As of the date of this Circular, FLUENT operates the following facilities in Florida: (i) a cultivation facility in Zolfo Springs, Florida (the **"Sweetwater Facility"**); (ii) a cultivation facility in Polk City, Florida (the **"Polk Facility"**); (iii) a cultivation and production facility in Tampa, Florida (the **"Tampa Facility"**); and (iv) a cultivation facility in Tampa (the **"Rosa Facility"**).

The Sweetwater Facility commenced operations in the fourth quarter of 2020 and includes 26,000 square feet of indoor cultivation, production, administrative space, and a 40,000 square feet greenhouse, on 15 acres. Current cultivation is 15,400 square feet of indoor flowering canopy. Its first harvest occurred in March 2021. A portion of the Sweetwater Facility is approved for processing activities, namely packaging of flower products. Additionally, the Sweetwater Facility has expansion capacity for up to seven additional greenhouses.

The Polk Facility commenced operations in the third quarter of 2022 and includes a 27,000 square feet greenhouse, on 72 acres. Its first harvest occurred in December 2022. Additionally, the Polk Facility has expansion capacity for up to five acres of additional greenhouses.

The Tampa Facility produces various products ranging from topicals, inhalation vaporizers, oral, smoking and edibles. The Tampa Facility is approximately 22,000 square feet of indoor cultivation which includes 20,160 square feet of flowering canopy over six levels. In the second quarter of 2022, FLUENT added 24,225 square feet to the existing Tampa Facility with approximately 9,000 square feet of new cultivation area and approximately 15,000 square feet of new production and office space.

A separate cultivation facility in Ruskin, Florida (the “**Ruskin Facility**”), commenced operations in the first quarter of 2024 and includes 13,824 square feet of indoor flowering canopy, with its first harvest occurring in the second quarter of 2024. FLUENT discontinued operations at the Ruskin Facility in the second quarter of 2026.

FLUENT commenced cultivation operations at the Rosa Facility in the second quarter of 2025. The Rosa Facility includes 9,200 square feet of high-efficiency indoor canopy.

As of the date of the Circular, FLUENT operates 32 dispensaries through the State of Florida.

Pennsylvania

FLUENT began operations in Pennsylvania in the third quarter of 2017. FLUENT operated three dispensaries in the south-central region of Pennsylvania for the sale of medical cannabis. On December 31, 2025, FLUENT completed the sale of its Pennsylvania operations to HIVE Holdings Inc. See “*General Development of the Business – Fiscal Year Ended December 31, 2025 – Sale of Pennsylvania Operations*” for further information.

Texas

FLUENT began operations in Texas in the second quarter of 2017. FLUENT was granted the first dispensing organization license in Texas from the Texas Department of Public Safety on September 1, 2017 (as of December 31, 2025, there were three such licenses issued), which allows FLUENT to cultivate and process cannabis as well as operate a dispensary at the site. FLUENT owns and operates 1,300 square feet of cultivation space in climate and humidity-controlled C-containers which include 1,920 square feet of flowering canopy over 2 levels. FLUENT completed construction of its first pick-up and education center in Houston, Texas, which opened in the first quarter of 2026. FLUENT, through one of its Subsidiaries, holds the following license in the State of Texas:

Holding Entity	Permit/License	Issuing Department	Term	Description
Cansortium Texas, LLC dba Fluent	License to Operate as a Dispensing Organization (License No. 0004-SL06-001)	Texas Department of Public Safety, Regulatory Services Division	Current - October 1, 2027	License to operate a cannabis dispensing organization

FLUENT is a party to the Texas Purchase Agreement pursuant to which Legacy has agreed to acquire the Texas Subsidiary. See “*General Development of the Business – Fiscal Year Ended December 31, 2025 – Recent Developments*” for further information.

New York

On December 19, 2024, FLUENT completed the 2024 Arrangement with RIV Capital and acquired RIV Capital’s wholly-owned subsidiary Etain, a legally licensed cannabis cultivation and retail dispensary operator in the state of New York. Etain was founded in 2015 and was one of the state’s original five registered organizations (“**ROs**”) licensed to sell medical cannabis in New York State. On December 8, 2023, the CCB approved Etain’s transition to an adult-use operator. Etain’s adult-use Registered Organization with Dispensing (“**ROD**”) license allows for the cultivation, processing, and dispensing of adult-use and medical cannabis products. As of the date of this Circular, FLUENT operates a cultivation and processing facility in Chestertown, as well as a retail dispensaries in the State of New York, which has co-located adult-use and medical cannabis dispensary operations.

Cultivation and Production

Through the 2024 Arrangement with RIV Capital, FLUENT operates a cultivation and processing facility located in Chestertown, New York, a hamlet with approximately 700 residents in the Adirondack Mountains. Constructed in 2015, the original approximately 20,000 square foot facility is comprised of approximately 8,100 square feet of rooms dedicated for flowering and includes two smaller extraction labs and a larger production floor, for the manufacture of Etain’s portfolio of cannabis products (dried flower, pre-rolls, vaporizers, capsules, tinctures, powders, lozenges, lotions, and oral sprays).

In 2023, the Chestertown facility completed a significant expansion, adding more than 40,000 square feet of additional cultivation, lab, and manufacturing space, including approximately 28,800 square feet of additional flowering rooms spanning eight new hybrid greenhouse bays, as well as additional production space to meet the anticipated demands of the adult-use market in New York.

On August 23, 2022, RIV Capital entered into a lease agreement with Laborers Way 1 LLC, an affiliate of leading California-based developer Zephyr (the “**Zephyr Lease**”), for the development and operation of a planned new flagship cannabis cultivation and production facility in Buffalo, New York (the “**Buffalo Facility**”). Under the lease agreement, Zephyr may develop and lease to FLUENT two buildings totaling approximately 75,000 square feet. Currently, there is only one operational building at the Buffalo Facility.

On August 20, 2025, FLUENT announced the commencement of operations of the Buffalo Facility. Sales from the first harvest at the Buffalo Facility occurred in December 2025.

Retail

FLUENT operates one co-located adult-use and medical cannabis dispensary in the State of New York, which is focused on delivering superior customer and patient experience through high-engagement interaction and a consultative, transparent, and education-forward approach to dispensing cannabis. FLUENT’s operates its dispensary from the following location:

Summary of Etain Dispensaries			
Location	Address	Year Opened	Description
White Plains	75 Mamaroneck Ave, White Plains, New York	2024	The dispensary was opened in February 2024 and was Etain's first co-located adult-use and medical retail dispensary. The dispensary was relocated from Etain's prior medical-only retain dispensary in Yonkers, New York, and services an area with an addressable population of approximately 1 million people within Westchester County.

Other Investments

As of the date of this Circular, FLUENT, through its wholly-owned subsidiary RIV Capital, also has certain legacy financial interests in other companies, including BioLumic Inc., Headset, Inc., Zeakal, Inc., and LeafLink Services International ULC. However, FLUENT ascribes nominal value to these investments in FLUENT's consolidated statements of financial position.

Production and Services

FLUENT and affiliates operate in highly regulated markets that require expertise in cultivation, manufacturing, retail operations and logistics. Currently, FLUENT cultivates, processes, markets and/or dispenses a wide range of permitted cannabis products across its operating markets.

FLUENT's cannabis products are offered in oral drops, capsule, topical, syringe, dried flower, pre-roll, cartridge, concentrate and edible forms, along with accessories. FLUENT's products have shifted from marketing primarily under the FLUENTTM brand name, launched in May 2019, to a house of brands that includes Bag-O, FLUENT, Hyer Kind, Knack, MOODS, and Wandr. Prior to the launch of the FLUENTTM brand, FLUENT had operated under the Knox Medical brand.

FLUENT's licensed entities in Florida, Texas and New York are vertically-integrated, meaning the entire supply chain is managed from seed to sale: cultivating cannabis flower, processing the flower into manufactured products and selling the product to registered patients and/or legal adult use consumers. FLUENT believes that it has developed the in-house resources to ensure its Florida, Texas and New York licensed entities maintain best practices in cannabis cultivation, processing and dispensing and are dedicated to staying at the forefront of technology in the industry. FLUENT continues to invest strategically in infrastructure to ensure its U.S. state-licensed entities maintain low overall production costs and adaptability in their product mix to ensure timely response to the rapidly developing cannabis market.

Research and Development

FLUENT's research and development activities primarily focus on optimizing cultivation and manufacturing techniques, developing new manufactured products and on the medical benefits of cannabis. FLUENT collects data on the number of grams of cannabis flower produced per watt of light, per square foot and per plant. This allows cultivators to gain insights on optimal cultivation methods by adjusting certain variables such as cannabis strain variety and plant spacing. FLUENT's cultivators also institute pest management techniques in facilities and document successes and failures, sharing this knowledge across its cultivation operations. FLUENT also researches new methods of cannabis extraction for the development of new manufactured products. FLUENT's research and development activities operate on an on-going basis as FLUENT continually seeks to improve current methods for its licensed businesses.

FLUENT has developed proprietary equipment, which allows for better drying and processing yields after harvest of cultivated cannabis. FLUENT has secured the services of an engineering firm to oversee all retrofits and new construction facilities in all of its operations. This will result in a unified set of Standard Operating Procedures that can be utilized in all markets. This enables FLUENT to provide assurances to all levels of consumers that the facilities will achieve any local standard required, such as GMP. This process also allows for the development of unique and proprietary systems, practices, machinery and procedures to increase efficiency.

FLUENT views cannabis with a longer temporal lens and aims to borrow best practices from the pharmaceutical, commercial cultivation, consumer packaged goods and consumer products industries. FLUENT has acquired technical expertise and experience from the pharmaceutical, agricultural and educational industries to develop new technology and intellectual property. FLUENT plans to continue to make strategic additions to its research and development team.

FLUENT's vision is to become a leading brand. With a focus on research and development, FLUENT plans to generate a diverse product offering and advanced biopharmaceutical intellectual property.

Specialized Skills and Knowledge

All aspects of FLUENT's business require specialized skills and knowledge. FLUENT's management is comprised of individuals with extensive experience and expertise in areas including, but not limited to, the cultivation and growing of cannabis, consumer packaged goods, product development, strategy, science, innovation, analytical testing, internationally regulated products and legal and regulatory compliance. FLUENT is dedicated to ensuring regulatory compliance in all aspects of the business with the end goal of patient and consumer satisfaction. There is a high level of quality assurance and testing protocols in place within FLUENT, including a system that provides additional certainty regarding the purity and safety of the cannabis that FLUENT produces and sells. Therefore, FLUENT must employ skilled personnel within these areas. Experience in cannabis or other regulated industries assists FLUENT with compliance with applicable laws and regulations. Specialized skills and knowledge are important to FLUENT's success as FLUENT continues to evolve with the industry and grow its brands, and FLUENT continues to build on the skills and knowledge required within its organization to meet its objectives.

FLUENT believes that it currently possesses all the specialized skills and knowledge it requires but will continue to compete with other cannabis and manufacturing companies to secure and retain such qualified staff.

Competitive Conditions

The U.S. cannabis industry is highly competitive. FLUENT competes on quality, price, brand recognition and distribution strength. FLUENT's cannabis products compete with other products for consumer purchases as well as for shelf space in retail dispensaries and wholesaler attention. FLUENT competes with numerous cannabis producing companies with various business models, from small family-owned operations to multi-billion-dollar market capitalized multi-state operators. In certain markets, there are also a number of illegally operating dispensaries, which serve as competition. In some markets, the number of illegal retail dispensaries has been publicly reported to far exceed the number of legal (licensed) cannabis dispensaries. FLUENT maintains an operational footprint primarily in U.S. states with high barriers to entry and limited market participants, due to the limited availability of state licenses or local permitting, as well as stringent operating requirements.

As cannabis remains illegal at the federal level in the U.S. (subject to certain exceptions in relation to medical cannabis), businesses seeking to enter the industry face additional challenges when accessing capital. Presently, there exists no reliable source of U.S. bank lending or equity capital available to fund operations in the U.S. cannabis sector. Nevertheless, FLUENT believes that the level of expertise and significant capital investment required to operate its large-scale, vertically-integrated cannabis operations make it difficult and inefficient for smaller cannabis operators to enter this sector of the market. As the cannabis industry continues to rapidly expand and its liberalization accelerates, it should be expected that FLUENT will face competition from other companies, some of which can be expected to have longer

operating histories and more financial, production resources, marketing resources and experience than FLUENT.

For additional details on the competition faced by FLUENT, refer to the “*Risk Factors*” section of this Circular. For additional details on the U.S. regulatory environment and the U.S. states in which FLUENT operates, please refer to the “*U.S. Regulatory Environment*” section below.

Products and Pricing

The main raw materials and components used in the production of FLUENT’s products are cannabis seeds and clones, water, plant nutrients and electricity. Water for operations is obtained from the respective municipal water systems. The price of water is determined by the respective local governments. Raw materials include soil, nutrients, organic integrated pest and disease management, environmental supplementation, disposable supplies and other miscellaneous inputs, all of which are readily available from multiple sources at wholesale or lower prices.

FLUENT sources its cannabis biomass needs almost entirely from its existing cultivation facilities. FLUENT has more than enough capacity to supply all of its flower related brands for the foreseeable future. Currently, FLUENT is externally sourcing manufactured cannabis extracts for its edible products. FLUENT believes this material is readily available from multiple third-party sources at competitive prices. FLUENT’s dispensaries sell both FLUENT’s brands and other cannabis brands sourced from third parties at its dispensaries.

FLUENT’s prices vary based on the market conditions and product pricing of vendor partners. Cannabis and cannabis product pricing is based on operating costs, materials costs, growth time and other applicable variables. Additionally, product pricing reflects existing pricing regulations in FLUENT’s markets where applicable.

New Products

On November 21, 2024, FLUENT announced the launch of a new brand of cannabis concentrate products, Hyer Kind, in Florida. On April 4, 2025, FLUENT announced the expansion of Hyer Kind to New York, where Hyer Kind infused pre-rolls are available through wholesale channels and at all FLUENT adult-use dispensary locations.

On December 2, 2024, FLUENT announced the expansion of its Florida brand MOODs into the New York market.

On December 18, 2024, FLUENT publicly announced a new cannabis flower brand, KNACK, available at all FLUENT dispensary locations in New York. FLUENT subsequently announced the launch of KNACK into Florida on May 20, 2025.

On January 7, 2025, FLUENT announced the launch of Bag-O, a new value-focused line of premium cannabis flower, available to Florida medical marijuana patients. Bag-O products were initially available in 14-gram bags, each packaged in Florida’s new “peekaboo” mylar bags, giving consumers a clear view of the flower’s quality, color and texture before making a purchase.

On April 15, 2025, FLUENT announced the launch of MOODs Black, an extension of its MOODs lineup of products.

On February 27, 2026, FLUENT launched KNACK Black, an extension of its core KNACK line that is focused exclusively on premium flower.

In March 2026, FLUENT began to sell products pursuant to a partnership with Connected Cannabis at the Buffalo Facility, including the brands Connected Cannabis and Alien Labs.

Intangible Properties

FLUENT has spent considerable time and resources to establish premium and recognizable brands amongst consumers and retailers in the cannabis industry. FLUENT owns and/or uses trademarks, patents, brands, trade names, domain names, including investors.getfluent.com numerous social media accounts across all major platforms and other intangible assets that are important to its success, and have taken measures to protect, renew and defend such intangible assets. See “*Risk Factors*” for additional information.

Seasonality

FLUENT’s business and operations in Florida experience seasonality effects in the summer months with a slight decrease in production due to the humidity and temperature. In certain regions, the cannabis industry can be subject to seasonality in some states that allow home grow. Because homegrown plants are typically harvested in the late summer or early fall, there can be some deceleration in retail and wholesale sales trends during these months as these private supplies are consumed.

Economic Dependence

Fluent Servicing licenses certain trademarks from Freedom Town Holdings, LLC (“**Freedom Town**”) pursuant to a trademark license agreement between Freedom Town and Fluent Servicing dated July 17, 2020 (the “**FTH License Agreement**”). Pursuant to the FTH License Agreement, Freedom Town has granted Fluent Servicing an indefinite, non-exclusive licence to manufacture, promote, advertise, distribute and sale of certain marks and products owned by Freedom Town in exchange for providing management services to Freedom Town under a First Amended Management Agreement dated April 2, 2021 (the “**FTH Management Agreement**”), entered into between Freedom Town and Fluent Servicing, as amended on July 25, 2025. Pursuant to the FTH Management Agreement, Freedom Town also agreed to manage and assist in the cultivation and production of cannabis at FLUENT’s Sweetwater Facility in exchange for certain fees derived from the sale of products from the Sweetwater Facility.

Changes to Contracts

On May 30, 2024, FLUENT and the Smith Group entered into the Smith Transaction Termination Agreement. For additional information regarding the Smith Transaction Termination Agreement, see “*General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 - the 2024 Arrangement – Smith Transaction*”.

On May 30, 2024, FLUENT entered into the Amended Credit Agreement. For additional information regarding the Amended Credit Agreement, see “*General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – The 2024 Arrangement– First Credit Agreement Amendment*”.

On November 26, 2024, FLUENT and the Smith Group entered into the Amended Smith Transaction Termination Agreement, which terminated the Smith Transaction Agreement. For additional information regarding the Amended Smith Transaction Termination Agreement, see “*General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – The 2024 Arrangement - Amended Smith Transaction Termination Agreement*”.

On November 26, 2024, FLUENT entered into the FLUENT Credit Agreement in connection with the refinancing of the First Credit Agreement. For additional information regarding the FLUENT Credit Agreement, see “*General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – The 2024 Arrangement - Refinancing of First Credit Agreement*”.

On May 28, 2024, FLUENT and Nittany Management LLC entered into an amendment to the Rosa Lease. For additional information regarding the Rosa Lease, see “*General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2025 – Commercial Lease in Tampa, Florida.*”

On March 17, 2026, FLUENT entered into an amendment to the FLUENT Credit Agreement, see “*General Development of the Business – Recent Developments*” for further information.

On July 25, 2025, FLUENT, Fluent Servicing, and Freedom Town, entered an amendment to the FTH Management Agreement, see “*Description of the Business – Economic Dependence*” for further information.

Environmental Protection

Although a number of environmental restrictions apply to FLUENT, they are of a general nature and often tied to limitations on land use and thus do not materially affect ongoing operations. The environmental regulations that do affect operations generally relate to natural resource use, such as water use permits, wastewater management, energy generation, pest management and air pollution limitations.

Although these regulations limit the scope of potential operations, such financial and operational obligations related to such regulations are not expected to have a material impact on FLUENT’s financial position or operations as currently conducted.

Employees

As at December 31, 2025, FLUENT had 580 employees (577 of which were located in the U.S. and 3 of which were located in Canada).

Reorganizations

On May 30, 2024, FLUENT and RIV Capital announced that they entered into the 2024 Arrangement Agreement pursuant to which, on December 19, 2024, FLUENT acquired all of the issued and outstanding RIV Capital Shares pursuant to the 2024 Arrangement in exchange for Common Shares. For additional information regarding the Arrangement Agreement, see “*General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – The 2024 Arrangement – Arrangement Agreement*”.

On December 18, 2024, FLUENT filed an amendment to FLUENT Articles to create the Non-Voting Shares in connection with the Hawthorne Notes Exchange. For additional information regarding the Hawthorne Notes Exchange and the Non-Voting Shares, see “*General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – The 2024 Arrangement – Hawthorne Notes Exchange*” and “*Description of Share Capital and Securities – Non-Voting Shares*”.

Social and Environmental Policies

FLUENT has adopted the Business and Ethics Code for FLUENT’s directors, officers and employees. Among other things, the Business and Ethics Code promotes honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest, see “*Corporate Governance*” for additional information on the Business and Ethics Code. A copy of the Business and Ethics Code is available on FLUENT’s website at investors.getfluent.com.

U.S. REGULATORY ENVIRONMENT

In accordance with Staff Notice 51-352, below is a discussion of the federal and state-level U.S. regulatory regimes in those U.S. states where FLUENT is currently directly and indirectly involved through its Subsidiaries and investments in the cannabis industry. In accordance with Staff Notice 51-352, FLUENT evaluates, monitors and reassesses this disclosure, and any related risks, on an ongoing basis and the same will be supplemented, amended, and communicated 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 the cannabis industry. Any non-compliance, citations or notices of violation which may have an impact on FLUENT’s licenses, business activities or operations will be promptly disclosed by FLUENT.

FLUENT derives its revenues from the cannabis industry in certain states of the U.S., and the industry is illegal under U.S. Federal Law.

FLUENT is involved (through its licensed Subsidiaries) in the cannabis industry in the U.S. where local state laws permit such activities. Currently, FLUENT's Subsidiaries and managed entities are directly engaged in the cultivation, manufacture, processing, sale and distribution of cannabis and hold cannabis-related licenses in the states of Florida, Pennsylvania and Texas.

FLUENT's Exposure to U.S. Cannabis-Related Activities

As of the date of this Circular, the vast majority of FLUENT's business is directly derived from U.S. cannabis-related activities. As such, FLUENT's balance sheet and operating statement exposure to U.S. cannabis-related activities is nearly 100%. FLUENT is considered to be directly engaged in the cultivation or distribution of cannabis in the U.S. for purposes of Staff Notice 51-352.

U.S. Federal Regulatory Environment

The Controlled Substances Act

The U.S. federal government regulates drugs through the CSA, which places controlled substances, including cannabis, in one of five different schedules. Cannabis currently defined under federal law as "marihuana," is classified as a Schedule I drug under the CSA, except for those products containing cannabis that are approved by the FDA, as well as cannabis products regulated by a state medical cannabis license, both of which are classified as Schedule III drugs.¹ Hemp, defined as the *cannabis sativa* plant and its extracts containing less than 0.3% (on a dry weight basis) of THC¹, the psychoactive ingredient in cannabis, is excluded from the definition of "marihuana" and is therefore not a scheduled substance. . Schedule I drugs are considered to have a high potential for abuse, no currently accepted medical use in treatment in the U.S. and a lack of accepted safety for use of the drug under medical supervision. The classification of cannabis as a Schedule I drug is inconsistent with what FLUENT believes to be many valuable medical uses for cannabis accepted by physicians, researchers, patients and others. As evidence of this, the FDA on June 25, 2018, approved Epidiolex, an oral solution with an active ingredient, CBD, that is derived from the cannabis plant for the treatment of seizures associated with two rare and severe forms of epilepsy, Lennox-Gastaut syndrome and Dravet syndrome, in patients two years of age and older. Epidiolex was initially placed on Schedule V, the least restrictive schedule of the CSA. On April 6, 2020, the DEA removed Epidiolex entirely from the CSA. This is the first FDA-approved drug that contains a purified drug substance derived from the cannabis plant. CBD is a chemical component of cannabis that does not contain the intoxicating properties of THC, the primary psychoactive component of cannabis.² On April 23, 2026, DOJ and the DEA finalized an order reclassifying FDA-approved products containing cannabis and cannabis regulated by a state medical cannabis license as Schedule III drugs (the "**Medical Rescheduling Order**"). DEA considers Schedule III drugs to have a currently accepted medical use and a potential for abuse that is less than substances in Schedules I and II. Businesses that market products regulated by a state medical cannabis license are required to register with DEA in order for their products to be classified under Schedule III. FLUENT is currently in the process of registering its medical cannabis activities with DEA in order for its medical cannabis to be considered a Schedule III drug. Such registration, however, will not render FLUENT's adult use cannabis a Schedule III drug. DEA has scheduled a hearing for June 29, 2026 to consider whether to reschedule all cannabis to Schedule III. FLUENT believes the CSA categorization as a Schedule I drug is not reflective of the medicinal properties of cannabis or the

¹ The November 12, 2025 federal spending package changed the definition of hemp from 0.3% THC to 0.3% THC Variant (on a dry weight basis), with a maximum THC Variant content per serving of 0.4mg. This new definition is effective November 12, 2026. Additional information is contained in the "*Risk Factors*" section.

² Cannabis containing THC in excess of 0.3% on a dry weight basis is defined federally as marihuana. The federal definition of marihuana is commonly incorporated into state laws and regulations. Unless otherwise noted herein, we use cannabis and marihuana interchangeably.

public perception thereof, and numerous studies show cannabis is not able to be abused in the same way as other Schedule I drugs, has medicinal properties and can be safely administered.³

The federal position is also not necessarily consistent with democratic approval of cannabis at the state level in the U.S. Unlike in Canada, which has federal legislation uniformly governing the cultivation, distribution, sale and possession of cannabis under the *Cannabis Act*, S.C. 2018, c. 16, (Canada) and the Cannabis for Medical Purposes Regulations, in the U.S., cannabis is largely regulated at the state and local level. U.S. state laws regulating cannabis conflict with the CSA, which makes cannabis use and possession, other than use and possession of medical cannabis that has been rescheduled to Schedule III, federally illegal. Although certain states and territories of the U.S. authorize medical or adult use cannabis production and distribution by licensed or registered entities, under U.S. Federal Law, the possession, use, cultivation and transfer of cannabis and any related drug paraphernalia outside of the limited scope of the Medical Rescheduling Order is illegal, and any such acts are criminal acts. Although FLUENT's activities are compliant with applicable state and local laws, strict compliance with state and local laws with respect to cannabis may neither absolve FLUENT of liability under U.S. Federal Law nor provide a defense to federal criminal charges that may be brought against FLUENT. The Supremacy Clause of the U.S. Constitution 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, federal law shall apply.

Nonetheless, 48 U.S. states, the District of Columbia, and the territories of Puerto Rico, the U.S. Virgin Islands, Guam and the Northern Mariana Islands have legalized some form of cannabis for medical use, while 24 states, the Northern Mariana Islands, Guam, the U.S. Virgin Islands, and the District of Columbia have legalized the adult use of cannabis. As more states legalized medical and/or adult use cannabis, the federal government has attempted to provide clarity on the incongruity between federal prohibition under the CSA and these state-legal regulatory frameworks. Notwithstanding the foregoing, cannabis remains illegal under U.S. Federal Law, subject to certain exceptions in relation to medical cannabis, with cannabis listed as a Schedule I drug under the CSA. Medical cannabis likewise remains a Schedule I drug under the CSA except for products approved by the FDA and products sold by an entity holding a state medical cannabis license that has also registered with DEA, in which case it is a Schedule III drug.

Until 2018, the U.S. federal government provided guidance to federal law enforcement agencies regarding cannabis through a series of memoranda from the DOJ. The most recent such memorandum was drafted by former Deputy Attorney General James Cole on August 29, 2013 (the "**Cole Memorandum**"). The Cole Memorandum offered guidance to federal enforcement agencies as to how to prioritize civil enforcement, criminal investigations and prosecutions regarding cannabis in all states and acknowledged that, notwithstanding the designation of cannabis as a Schedule I controlled substance at the federal level, several states have enacted laws authorizing the use of cannabis. The Cole Memorandum also noted that jurisdictions that have enacted laws legalizing cannabis in some form have also implemented strong and effective regulatory and enforcement systems to control the cultivation, processing, distribution, sale and possession of cannabis. As such, conduct in compliance with those laws and regulations is less likely to be a priority at the federal level. The Cole Memorandum was seen by many state-legal cannabis companies as a safe harbor for their licensed operations that were conducted in full compliance with all applicable state and local regulations. However, on January 4, 2018, former U.S. Attorney General Jeff Sessions rescinded

³ See Lachenmeier, DW & Rehm, J. (2015). Comparative risk assessment of alcohol, tobacco, cannabis and other illicit drugs using the margin of exposure approach. *Scientific Reports*, 5, 8126. doi: 10.1038/srep08126; see also Thomas, G & Davis, C. (2009). Cannabis, Tobacco and Alcohol Use in Canada: Comparing risks of harm and costs to society. *Visions Journal*, 5. Retrieved from http://www.heretohelp.bc.ca/sites/default/files/visions_cannabis.pdf; see also Jacobus et al. (2009). White matter integrity in adolescents with histories of marijuana use and binge drinking. *Neurotoxicology and Teratology*, 31, 349-355. <https://doi.org/10.1016/j.ntt.2009.07.006>; Could smoking pot cut risk of head, neck cancer? (2009 August 25). Retrieved from <https://www.reuters.com/article/us-smoking-pot/could-smoking-pot-cut-risk-of-head-neck-cancer-idUSTRE57O5DC20090825>; Watson, SJ, Benson JA Jr. & Joy, JE. (2000). Marijuana and medicine: assessing the science base: a summary of the 1999 Institute of Medicine report. *Arch Gen Psychiatry* Review, 57, 547-552. Retrieved from <https://www.ncbi.nlm.nih.gov/pubmed/10839332>; see also Hoaken, Peter N.S. & Stewart, Sherry H. (2003). Drugs of abuse and the elicitation of human aggressive behavior. *Addictive Behaviours*, 28, 1533-1554. Retrieved from <http://www.ukcia.org/research/AggressiveBehavior.pdf>; and see also Fals-Steward, W., Golden, J. & Schumacher, JA. (2003). Intimate partner violence and substance use: a longitudinal day-to-day examination. *Addictive Behaviors*, 28, 1555-1574. Retrieved from <https://www.ncbi.nlm.nih.gov/pubmed/14656545>.

the Cole Memorandum. In the absence of a uniform federal policy, U.S. Attorneys with state-legal cannabis programs within their jurisdictions are responsible for establishing enforcement priorities for their respective offices. For instance, Andrew Lelling, a former U.S. Attorney for the District of Massachusetts, stated that while his office would not immunize any businesses from federal prosecution, he anticipated focusing the office's cannabis enforcement efforts on: (1) overproduction; (2) targeted sales to minors; and (3) organized crime and interstate transportation of drug proceeds. Other U.S. attorneys provided less assurance, promising to enforce federal law, including the CSA in appropriate circumstances.

Currently, Todd Blanche is serving as the acting U.S. Attorney General under President Trump. While Attorney General Blanche has not issued a formal or informal enforcement policy for adult use cannabis, he oversaw the issuance of the Medical Rescheduling Order which established a legal framework for medical cannabis operating under state regulations. There is no guarantee that state laws legalizing and regulating 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. Unless and until Congress or the DOJ amends the CSA with respect to cannabis generally, there is a risk that federal authorities may enforce current U.S. Federal Law against adult use cannabis or medical cannabis that is not in compliance with the Medical Rescheduling Order.

As an industry best practice, and in light of the federal approach to regulating cannabis, FLUENT abides by the following standard operating policies and procedures:

- (a) ensure that its operations are compliant with all licensing requirements as established by the applicable state, county, municipality, town, township, borough, and other political/administrative divisions;
- (b) ensure that its medical cannabis operations are compliant with the Medical Rescheduling Order;
- (c) ensure that its cannabis related activities adhere to the scope of the licenses obtained (for example: in the states where cannabis is permitted for recreational adult use, the products are only sold to individuals who meet the requisite age requirements);
- (d) implement policies and procedures to ensure that cannabis products are not distributed to minors;
- (e) implement policies and procedures to ensure that revenue is not distributed to criminal enterprises, gangs or cartels;
- (f) implement adequate inventory tracking systems and necessary procedures to ensure that such compliance systems are effective in tracking inventory and preventing diversion of cannabis or cannabis products into those states where cannabis is not permitted by state law, or cross any state lines in general;
- (g) ensure that its state-authorized cannabis business activity is not used as a cover or pretense for trafficking of other illegal drugs, and is not engaged in any other illegal activity or any activities that are contrary to any applicable anti-money laundering statutes; and
- (h) ensure that its products comply with applicable regulations and contain necessary disclaimers about the contents of the products to prevent adverse public health consequences from cannabis use and to prevent impaired driving.

In addition, FLUENT conducts background checks to ensure that certain individuals working at its operating Subsidiaries are of good character, and have not been involved with other illegal drugs, engaged in illegal activity or activities involving violence, or use of firearms in cultivation, manufacturing or distribution of cannabis. FLUENT also conducts ongoing reviews of its cannabis business activities, the premises on which they operate and the policies and procedures that are related to possession of cannabis or cannabis products outside of the licensed premises. See the "*Compliance Program*" section below for additional details.

In addition to the safeguards for the medical cannabis industry contained in the Medical Rescheduling Order, Congress has passed a so-called “rider” provision in every Consolidated Appropriations Act from FY 2015 to date to prevent the 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. The rider is known as the “Rohrabacher-Farr” Amendment after its original lead sponsors (it is also sometimes referred to as the “Rohrabacher-Blumenauer” or “Joyce-Leahy” Amendment, but it is referred to in this Circular as the “**Rohrabacher-Farr Amendment**”). The Rohrabacher-Farr Amendment was included in the Consolidated Appropriations Act, 2026, signed into law on February 3, 2026, and is effective through September 30, 2026. As of the date of this Circular, the Rohrabacher-Farr Amendment is included in the House version of the 2027 budget bill. In the future, the Rohrabacher-Farr Amendment may or may not be included in the omnibus appropriations package or a continuing budget resolution, and its inclusion or non-inclusion, as applicable, is subject to political changes.

During his term, then President Biden announced a series of marijuana-related initiatives. Included amongst them was a directive to the Secretary of Health and Human Services (“**HHS**”) and the Attorney General “to initiate the administrative process to review expeditiously how marijuana is scheduled under federal law. Federal law currently classifies marijuana in Schedule I of the CSA, the classification meant for the most dangerous substances.” This administrative review would be conducted by the FDA and the DEA. On August 29, 2023, the HHS and FDA issued a recommendation that the DEA reschedule marijuana from Schedule I, to Schedule III of the CSA. The DEA announced on December 19, 2023 that it was reviewing the HHS/FDA recommendation. On May 16, 2024, then-U.S. Attorney General Merrick Garland submitted to the Federal Register a notice of proposed rulemaking to consider moving marijuana from a Schedule I to a Schedule III drug under the CSA. The notice initiated a 60-day comment period for members of the public to submit comments regarding the rule where more than 43,000 comments were received. After reviewing the public comments, the DEA determined that a hearing was necessary and selected Administrative Law Judge John J. Mulrooney to oversee it. Expert testimony was expected to begin in early 2025. However, that hearing was postponed on January 15, 2025.

During the presidential campaign in 2024, President Trump publicly stated that his administration would support reclassification of cannabis as a Schedule III substance and would not stop or reverse a Schedule III determination. On December 18, 2025, President Trump signed an executive order, directing the Attorney General to expedite the movement of marijuana from Schedule I to Schedule III under the CSA. The executive order did not legalize marijuana for recreational use, and it remains a federally controlled substance. The order was not self-executing and required a formal administrative rulemaking process. On April 23, 2026, the U.S. Department of Justice issued the Medical Rescheduling Order, a Final Order implementing the rescheduling of medical cannabis products approved by the FDA and products regulated by state medical cannabis programs and sold by entities registered with DEA, and the Department of the Treasury and IRS announced they will issue guidance on the federal tax impact of the Department of Justice’s Final Order. Under this order, certain licensed or FDA-approved medical marijuana products move from Schedule I to Schedule III under the CSA, while unlicensed and non-approved cannabis remain Schedule I. This would be applicable to cannabis sold in adult-use markets in the U.S.

On December 2, 2022, then President Biden signed into law H.R. 8454, the “Medical Marijuana and Cannabidiol Research Expansion Act,” (the “**Research Expansion Act**”) which establishes a new registration process for conducting research on marijuana and for manufacturing marijuana products for research purposes and drug development. The Research Expansion Act is the first piece of standalone federal cannabis reform legislation in U.S. history. Among other things, the Research Expansion Act: (i) directs the DEA to register practitioners to conduct cannabis and CBD research and manufacturers to supply cannabis for research purposes; (ii) expressly allows the DEA to register manufacturers and distributors of cannabis or CBD for the purposes of commercial production of a drug approved by the FDA; (iii) requires the DEA to assess whether there is an adequate and uninterrupted supply of cannabis for research purposes; (iv) permits registered entities to manufacture, distribute, dispense, or possess cannabis or CBD for purposes of medical research; (v) clarifies that physicians do not violate the CSA when they discuss the potential harms and benefits of cannabis and CBD with patients; and (vi) directs the HHS to coordinate with the National Institutes of Health and other agencies to report on the “therapeutic potential” of cannabis for conditions such as epilepsy, and the impact of cannabis on adolescent brain development.

Nevertheless, for the time being, cannabis remains a Schedule I controlled substance at the federal level, subject to certain exceptions in relation to medical cannabis. The federal government of the U.S. has always reserved the right to enforce federal law regarding the sale and disbursement of medical or adult use cannabis, even if state law sanctions such sale and disbursement. 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, FLUENT's business, results of operations, financial condition and prospects could be materially adversely affected.

There is a growing consensus among cannabis businesses and numerous members of Congress that prosecutorial discretion is not law and temporary legislative riders, such as the Rohrabacher-Farr Amendment, are an inappropriate way to protect lawful medical cannabis businesses. Numerous bills have been introduced in Congress in recent years to decriminalize aspects of state-legal cannabis trades. FLUENT has observed that each year more congressmen and congresswomen sign on and cosponsor cannabis legalization bills. In light of all this, FLUENT anticipates that the federal government will eventually repeal the federal prohibition on cannabis that remains under Schedule I, and thereby leave the states to decide for themselves whether to permit regulated cannabis cultivation, production and sale, just as states are free today to decide policies governing the distribution of alcohol or tobacco.

The most comprehensive proposal for reform of federal legislation on cannabis was introduced on July 21, 2022, by U.S. Senate Majority Leader Chuck Schumer (D-NY) along with Cory Booker (D-NJ), and Ron Wyden (D-OR) when they filed the Cannabis Administration and Opportunity Act (the "**CAOA**"). The CAOA would have removed cannabis from Schedule I of the CSA, which would permit its decriminalization and allow the expungement of federal non-violent cannabis crimes. The CAOA would also have imposed a federal tax on cannabis of 10% in its first year of enactment, eventually increasing to 25% in 5% increments. The taxes raised would be used to petition fund programs to benefit communities disproportionately impacted by the "War on Drugs".

The CAOA would have enshrined the current state cannabis licensing regimes but introduces additional federal permitting of cannabis wholesalers. Regulatory responsibility for cannabis control would be transferred from the DEA to the TTB, the ATF as well as the FDA to protect public health.

The filing of the CAOA by Democratic congressional leaders in the 117th Congress represented a significant milestone in the move toward federal legalization of cannabis. While the CAOA suggested that legalization may come with significant federal tax burden, federal legalization will also bring long-awaited benefits to the industry of the removal of the Section 280E tax burden, clarity as to the status of state-licensed cannabis businesses, broad access to the banking and card payment system, increased availability, and reduced cost of capital. The CAOA failed to pass the 117th Congress.

Another bill, the Marijuana Opportunity Reinvestment and Expungement Act (the "**MORE Act**"), proposed in the U.S. House of Representatives would have decriminalized and de-scheduled cannabis from the CSA, provided for reinvestment in certain persons adversely impacted by the "War on Drugs," provided for expungement of certain cannabis offenses, among other things. The MORE Act passed the U.S. House of Representatives December 4, 2020 and again on April 1, 2022, but was not taken up in the Senate before the end of the 117th Congress. On September 20, 2023, the MORE Act was reintroduced into the House of Representatives.

There can be no assurance that the CAOA, the MORE Act or similar comprehensive legislation that would reschedule cannabis and decriminalize will be passed in the near future or at all. If such legislation is passed, there is no guarantee that it will include provisions that preserve the current state-based cannabis programs under which FLUENT operates or that such legislation will otherwise be favorable to FLUENT and its business. There is also no guarantee that DOJ will reschedule adult-use cannabis, as it did with medical cannabis. Should DOJ reschedule adult-use cannabis before Congress, there is likewise no guarantee such rescheduling will preserve the current state-based cannabis programs under which FLUENT operates or that such legislation will otherwise be favorable to FLUENT and its business.

Money Laundering Laws

Under U.S. Federal Law, it may potentially be a violation of federal money laundering statutes for financial institutions to take any proceeds from the sale of any Schedule I controlled substance. Federal law makes it illegal for financial institutions that depend on the Federal Reserve's money transfer system to take any proceeds from sales of cannabis that is still under Schedule I under the CSA as deposits. Banks and other financial institutions could be prosecuted and possibly convicted of money laundering for providing services to cannabis businesses under the U.S. Currency and Foreign Transactions Reporting Act of 1970 (the "**Bank Secrecy Act**"). Therefore, under the Bank Secrecy Act, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan or any other service could be charged with money laundering or conspiracy.

While there has been no change in U.S. federal banking laws to accommodate businesses in the large and increasing number of U.S. states that have legalized medical and/or adult use cannabis, in 2014, the Department of the Treasury Financial Crimes Enforcement Network ("**FinCEN**") issued guidance to prosecutors of money laundering and other financial crimes (the "**FinCEN Guidance**") and notified banks that it would not seek enforcement of money laundering laws against banks that service cannabis companies operating under state law, provided that strict due diligence and reporting standards are met. The FinCEN Guidance advised prosecutors not to focus their enforcement efforts on banks and other financial institutions that serve cannabis-related businesses so long as that business is legal in their state and none of the federal enforcement priorities referenced in the Cole Memorandum are being violated (such as keeping cannabis away from children and out of the hands of organized crime). The FinCEN Guidance also clarifies how financial institutions can provide services to cannabis-related businesses consistent with their Bank Secrecy Act obligations, including thorough customer due diligence, but makes it clear that they are doing so at their own risk. The customer due diligence steps include:

- (i) verifying with the appropriate state authorities whether the business is duly licensed and registered;
- (ii) reviewing the license application (and related documentation) submitted by the business for obtaining a state license to operate its cannabis-related business;
- (iii) requesting from state licensing and enforcement authorities available information about the business and related parties;
- (iv) developing an understanding of the normal and expected activity for the business, including the types of products to be sold and the type of customers to be served (e.g., medical versus adult use customers);
- (v) ongoing monitoring of publicly available sources for adverse information about the business and related parties;
- (vi) ongoing monitoring for suspicious activity, including for any of the red flags described in this guidance; and
- (vii) refreshing information obtained as part of customer due diligence on a periodic basis and commensurate with the risk.

With respect to information regarding state licensure obtained in connection with such customer due diligence, a financial institution may reasonably rely on the accuracy of information provided by state licensing authorities, where states make such information available.

Because most banks and other financial institutions are unwilling to provide any banking or financial services to cannabis businesses, these businesses can be forced into becoming "cash-only" businesses. While the FinCEN Guidance decreased some risk for banks and financial institutions considering serving the industry, in practice it has not increased banks' willingness to provide services to cannabis businesses, and most banks continue to decline to operate under the strict requirements provided under the FinCEN Guidance. This is because, as described above, the current law does not provide banks immunity from

prosecution, and it also requires banks and other financial institutions to undertake time-consuming and costly due diligence on each cannabis business they accept as a customer.

The few state-chartered banks and/or credit unions that have agreed to work with cannabis businesses are limiting those accounts to small percentages of their total deposits to avoid creating a liquidity risk. Since, theoretically, the federal government could change the banking laws as it relates to cannabis businesses at any time and without notice, these state-chartered banks and credit unions must keep sufficient cash on hand to be able to return the full value of all deposits from cannabis businesses in a single day, while also keeping sufficient liquid capital on hand to serve their other customers. Those state-chartered banks and credit unions that do have customers in the cannabis industry charge cannabis businesses high fees to pass on the added cost of ensuring compliance with the FinCEN Guidance. Unlike the Cole Memorandum, however, the FinCEN Guidance from 2014 has not been rescinded. Despite the rescission of the Cole Memorandum in 2018, FLUENT, as an industry best practice and consistent with its standard operating procedures, adheres to all customer due diligence steps in the FinCEN Guidance.

In both Canada and the U.S., transactions involving banks and other financial institutions are both difficult and unpredictable under the current legal and regulatory landscape. Legislative changes could help to reduce or eliminate these challenges for companies in the cannabis space and would improve the efficiency of both significant and minor financial transactions.

In the absence of comprehensive reform of federal cannabis legislation that would decriminalize the cannabis industry, a growing number of members of Congress have expressed support for federal legislation that would eliminate from the scope of federal money laundering statutes the financing activity of businesses operating under state-sanctioned cannabis programs. On September 26, 2019, the U.S. House of Representatives passed the Secured and Fair Enforcement Banking Act of 2019 (commonly known as the **"SAFE Banking Act"**), which aims to provide safe harbor and guidance to financial institutions that work with legal U.S. cannabis businesses. The SAFE Banking Act has since been introduced and has passed the U.S. House of Representatives on seven separate occasions since 2019, either as a standalone bill or attached to other legislation, including most recently in 2022 with the America Competes Act which passed the House of Representatives on February 4, 2022, but the proposed bills either failed to pass through the Senate or the SAFE Banking Act provisions were ultimately removed from enacted legislation. Most recently, a slightly revised bill known as the Secure and Fair Enforcement Regulation Banking Act (**"SAFER Banking Act"**) was introduced in the Senate on September 21, 2023. The SAFER Banking Act bill was heard by the Senate Banking Committee and was adopted on September 27, 2023 by a notable bipartisan majority of 14-9. It has not moved any further since such date. Once again, there can be no assurance of the content of any final proposed legislation or that such legislation is ever passed. FLUENT's inability, or limitations on FLUENT's ability, to open or maintain bank accounts, obtain other banking services and/or accept credit card and debit card payments may make it difficult for FLUENT to operate and conduct its business as planned or to operate efficiently.

While Congress may consider legislation in the future that may permanently address these issues, there can be no assurance of the content of any proposed legislation or that such legislation is ever passed. FLUENT's inability, or limitations on FLUENT's ability, to open or maintain bank accounts, obtain other banking services and/or accept credit card and debit card payments may make it difficult for FLUENT to operate and conduct its business as planned or to operate efficiently.

As of the date of this Circular, it is unclear how the rescheduling of medical cannabis to Schedule III may affect the willingness of banks to provide services to the cannabis industry. However, absent the issuance of revised FinCEN guidance or the passage of legislation, the requirements imposed by the Bank Secrecy Act still apply and will limit the availability of banking services for the cannabis industry.

U.S. Federal Taxation of Cannabis Business

An additional challenge to cannabis-related businesses is that the provisions of Section 280E are being applied by the IRS to businesses operating in the medical and adult use cannabis industry. Section 280E prohibits businesses from deducting certain expenses associated with the trafficking of controlled substances within the meaning of Schedule I and II of the CSA. The IRS has applied Section 280E broadly

in tax audits against various cannabis businesses in the U.S. that are permitted under applicable state laws, seeking substantial sums in tax liabilities, interest and penalties resulting from underpayment of taxes due to the lack of deductibility of otherwise ordinary business expenses, the deduction of which is prohibited by Section 280E. Following the Medical Rescheduling Order, the Department of Treasury indicated that the IRS would be issuing updated guidance as to the applicability of Section 280E to medical cannabis that has been rescheduled to Schedule III. That updated guidance has not been issued as of the date of this Circular. The rescheduling of medical cannabis products is expected to have a meaningful beneficial impact on the tax positions taken by FLUENT with respect to its medical marijuana business. However, significant uncertainty remains as to whether the announced hearing on potentially broader rescheduling would benefit FLUENT's adult-use cannabis business.

Reform of U.S. Federal Legislation on Industrial Hemp

On December 20, 2018, President Donald Trump signed the Agriculture Improvement Act of 2018, Pub. L. 115-334, (popularly known as the “**2018 Farm Bill**”) into law. Under the 2018 Farm Bill, hemp is excluded from the definition of “marihuana” (as defined in the CSA) and therefore not a Schedule I controlled substance in the U.S. Hemp includes the plant *cannabis sativa* L and any part of that plant, including seeds, derivatives, extracts, cannabinoids and isomers, which contain no more than 0.3% of delta-9-THC concentration by dry weight. The 2018 Farm Bill allows states to create regulatory programs allowing for the licensed cultivation of hemp and production of hemp-derived products. Under the 2018 Farm Bill, Hemp and products derived from it, such as CBD, may then be sold into commerce and transported across state lines, provided that the hemp from which any product is derived was cultivated under a license issued by an authorized state program approved by the USDA and otherwise meets the definition of hemp.

On November 12, 2025, President Trump signed into law H.R. 5371, which overhauls the federal definition of hemp and will ban, effective on November 12, 2026, most hemp-derived products that are currently legal to sell and transport across state lines under federal law pursuant to the 2018 Farm Bill. H.R. 5371 states that hemp does not include any final hemp-derived products containing greater than 0.4 milligrams per container of THC Variant. The effect of the new law is that most hemp-derived consumable products currently on the market will fall outside of the definition of hemp and will therefore revert to their pre-2018 Farm Bill status as Schedule I drugs under the CSA because most products contain greater than 0.4 milligrams of THC Variant per container. H.R. 5371 enacts certain other changes to the definition of hemp, such as narrowing the types of plants that meet the definition of hemp (from which a final hemp-derived product could derive) as well as removing work-in-progress hemp extract (an intermediate step in the process of manufacturing a hemp-derived product) from the definition of hemp.

The hemp industry is currently engaged in efforts to cause the U.S. Congress to further revise the definition of hemp or enact additional legislation that would provide a viable pathway for hemp-derived products that have been sold since the passage of the 2018 Farm Bill to continue to be legally sold and transported across state lines under federal law after November 11, 2026.

Despite the removal of CBD extracted from hemp and other hemp extracts produced under authorized state hemp programs from the CSA, the FDA's stated position remains that it is a prohibited act under the Federal Food, Drug, and Cosmetic Act to introduce into interstate commerce a food to which CBD, THC or cannabinoids has been added, or to market a product containing these ingredients as a dietary supplement. However, on January 26, 2023, the FDA concluded that a new regulatory pathway for CBD is needed that balances individual's desire for access to CBD products with the regulatory oversight needed to manage risks. The FDA is seeking support from Congress to develop a new regulatory pathway.

Service Providers

As a result of any adverse change to the approach in enforcement of U.S. cannabis laws, adverse regulatory or political change, additional scrutiny by regulatory authorities, adverse change in public perception in respect of the consumption of marijuana or otherwise, third party service providers to FLUENT could suspend or withdraw their services, which may have a Material Adverse Effect on FLUENT's business, revenues, operating results, financial condition or prospects.

Ability to Access Capital

Given the current U.S. Federal Laws regarding cannabis, traditional bank financing is typically not available to U.S. cannabis companies. Specifically, the federal illegality of cannabis in the U.S., subject to certain exceptions in relation to medical cannabis, means that financial transactions involving proceeds generated by cannabis-related conduct can form the basis for prosecution under money laundering statutes, the unlicensed money transmitter statute and the Bank Secrecy Act. As a result, businesses involved in the cannabis industry often have difficulty finding a bank willing to accept their business. Banks who do accept deposits from cannabis-related businesses in the U.S. must do so in compliance with the Cole Memorandum and the FinCEN guidance, both discussed above. FLUENT's inability to raise financing through traditional banking to fund on-going operations, capital expenditures or acquisitions could limit its growth and may have a Material Adverse Effect upon FLUENT's business, results of operations, financial condition or prospects.

Given the illegality of cannabis under U.S. Federal Law, subject to certain exceptions in relation to medical cannabis, FLUENT's access to capital could be negatively affected by public and/or private capital not being available to support continuing operations or future investment opportunities. To date, FLUENT has been able to access equity financing through public and private markets in Canada, and debt financing through the FLUENT Credit Agreement. At present, management believes that capital availability could change without notice, requiring FLUENT to operate solely on currently available and internally generated funds.

There can be no assurance that additional financing will be available to FLUENT when needed or on terms that are acceptable to FLUENT. If additional funds are raised through further issuances of equity or convertible debt securities, existing Shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to existing holders of Common Shares.

Heightened Scrutiny by Regulatory Authorities

For the reasons set forth above, FLUENT's existing operations in the U.S., and any future operations or investments of FLUENT, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, FLUENT may be subject to significant direct and 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 FLUENT's ability to operate or invest in the U.S. or in any other jurisdictions, or have consequences for its stock exchange listing or Canadian reporting obligations, in addition to those described herein.

Change to government policy or public opinion may also result in a significant influence on the regulation of the cannabis industry in Canada, the U.S., or elsewhere. A negative shift in the public's perception of medical or adult use cannabis in the U.S. or any other applicable jurisdiction could affect future legislation or regulation or enforcement. Such a shift could cause state jurisdictions to abandon initiatives or proposals to legalize medical or adult use cannabis, thereby limiting the number of new state jurisdictions into which FLUENT could expand. Any inability to fully implement FLUENT's business strategy in the states in which FLUENT currently operates or in FLUENT's ability to expand its business into new states, may have a Material Adverse Effect on FLUENT's business, financial condition, and results of operations. See the "Risk Factors" section below for additional details.

Further, violations of any federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions, or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, asset forfeiture, and cessation of business activities or divestiture. Any enforcement action against FLUENT or any of its licensed operating facilities could have a Material Adverse Effect on (1) FLUENT's reputation, (2) FLUENT's ability to conduct business, (3) FLUENT's holdings (directly or indirectly) of medical or adult use cannabis licenses in the U.S., (4) the listing or quoting of FLUENT's securities on various stock exchanges, (5) FLUENT's financial position, (6) FLUENT's operating results, profitability, or liquidity, or (7) the market price of FLUENT's publicly traded shares. In addition, it is difficult for FLUENT to estimate the time or resources that would be needed for the investigation of any such matters or their final

resolution because the time and resources that may be necessary depend on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial. See the “Risk Factors” section below for additional details. FLUENT’s business activities, while believed to be compliant with applicable U.S. state and local laws, currently are illegal under U.S. Federal Law.

In February 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group announced the signing of a memorandum of understanding with Cboe Canada Inc. (formerly Aequitas NEO Exchange Inc.), the CSE, the Toronto Stock Exchange and the TSX Venture Exchange. The memorandum of understanding outlines the parties’ understanding of Canada’s regulatory framework applicable to the rules, procedures, and regulatory oversight of the exchanges and CDS as it relates to issuers with cannabis-related activities in the U.S. The memorandum of understanding confirms, with respect to the clearing of listed securities, that CDS relies on the exchanges to review the conduct of listed issuers. As a result, there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the U.S. However, there can be no guarantee that this approach to regulation will continue in the future. If such a ban were to be implemented at a time when the Common Shares are listed on a stock exchange, it would have a Material Adverse Effect on the ability of holders of Common Shares to make and settle trades. In particular, the Common Shares would become highly illiquid as until an alternative was implemented, investors would have no ability to affect a trade of securities through the facilities of the applicable stock exchange. FLUENT has obtained eligibility with DTC for its Common Shares quotation on the OTCQX and such eligibility provides another possible avenue to clear the Common Shares in the event of a CDS ban. Revocation of DTC eligibility or implementation by DTC of a ban on the clearing of securities of issuers with cannabis-related activities in the U.S. would similarly have a Material Adverse Effect on the ability of holders of the Common Shares to make and settle trades.

U.S. Legal Advice

To FLUENT’s knowledge, FLUENT and its Subsidiaries are in compliance with U.S. state laws and the related licensing frameworks. FLUENT and its Subsidiaries use reasonable commercial efforts to confirm, through the advice of U.S. counsel in each state in which FLUENT operates, the monitoring and review of its business practices, and regular monitoring of changes to U.S. federal enforcement priorities, that its businesses are in compliance with applicable licensing requirements and regulatory frameworks. FLUENT and its subsidiaries are currently in the process of registering its medical cannabis operations with DEA in accordance with the Medical Rescheduling Order. Other than as disclosed herein, FLUENT’s U.S. based Subsidiaries have not received noncompliance orders, citations or notices of violation that may have an impact on such entity’s licenses, business activities and/or operations. FLUENT’s U.S. based Subsidiaries have obtained legal advice regarding (a) compliance with applicable state regulatory frameworks and (b) potential exposure and implications arising from U.S. Federal Law.

Compliance Program

FLUENT’s Chief Legal Officer and Associate Director of Compliance, Northeast oversee, maintain, and implement the compliance program and personnel in conjunction with the Interim Chief Executive Officer and the Chief Operating Officer. The Chief Legal Officer and Associate Director of Compliance, Northeast serves as a liaison to the various state and local regulators. It is the responsibility of the Chief Legal Officer and Associate Director of Compliance, Northeast to work with all operational department heads to ensure operations and employees strictly comply with applicable laws, regulations and licensing requirements to ensure that the operations do not endanger the health, safety, or welfare of the communities that FLUENT operates in. The Chief Legal Officer and Associate Director of Compliance, Northeast work closely with the operations and security directors to ensure that operations and all employees are following and complying with FLUENT’s written standard operating procedures.

FLUENT has developed a uniform set of standard operating procedures that establish minimum standards and requirements for operations in each market, encompassing operational aspects such as cultivation, manufacturing, packaging of product, the handling of confidential or personal information and method by which an employee may dispense cannabis to an authorized individual. Upon FLUENT’s entry into a new

market, the Chief Legal Officer and Associate Director of Compliance, Northeast work with each department director to adapt these uniform policies into a unique set of operating procedures for each respective market. It is these respective market-specific procedures that are based upon the regulatory requirements unique to each such market.

Working with the operations, human resources, marketing, retail, and security departments, the Chief Legal Officer and Associate Director of Compliance, Northeast oversee compliance training for all employees, including on the following topics: (i) compliance with applicable state and local laws; (ii) safe cannabis use; (iii) dispensing procedures; (iv) cultivation and processing procedures; (v) security and safety policies and procedures; (vi) inventory control; (vii) point of sale and seed to sale tracking software; (viii) quality control; and (ix) transportation procedures.

FLUENT's compliance protocols emphasize quality assurance, as evidenced by its efforts to obtain GMP (or similar) certification in its facilities, security and inventory controls, as well as patient safety. These efforts ensure strict monitoring of cannabis and inventory in all phases of the process. Only authorized and properly trained employees are permitted to access any seed-to-sale system or dispense cannabis to an authorized individual.

The Chief Legal Officer and Associate Director of Compliance, Northeast monitor compliance notifications from various state regulators, and ensure timely response and corrective action if necessary. FLUENT maintains comprehensive recordkeeping and retention procedures for any action involving the products it cultivates, processes, and/or dispenses. In addition, FLUENT maintains accurate records of all activities it is licensed to conduct in each market and does so in compliance with applicable laws and regulations. Adherence to FLUENT's compliance protocols in each market is mandatory and ensures that all operations remain compliant with the regulation(s) set forth by the applicable regulatory bodies, as well as all requirements of licensure.

Each facility is monitored and supervised under a uniform set of policies and procedures that also requires daily, weekly, monthly and quarterly reporting on applicable activities that occur at each facility. These reports, completed by or under the supervision of the applicable facility manager include: germination, cloning, plant destruction, harvest details, extraction rates, product formulation details, logistics, transportation, delivery, sales and customer complaints. Each facility also utilizes a password protected, role-based, seed-to-sale inventory tracking and reporting software system. The Associate Director of Compliance, Northeast and the Chief Operating Officer have full administrative access to the seed-to-sale tracking and reporting software. The seed-to-sale software program gives these individuals real time access to the source data, which reports all daily activities of each subsidiary in order to conduct independent analysis and verification of the standard reports submitted by each subsidiary.

In addition to the standard reports submitted by each facility and the seed-to-sale software program access, the Associate Director of Compliance, Northeast and staff perform scheduled and unscheduled site visits and audits of each facility. The scheduled and unscheduled site visits and audits are performed at least quarterly and are used to verify source data on all reported subsidiary activities, debrief and interview key employees, and conduct an overall review of the operating conditions of all of FLUENT's facilities.

State Regulatory Environment

Florida

Regulatory Framework

Florida regulates medical marijuana as set forth in the Florida Constitution, Florida Statutes, implementing regulations of the Florida Administrative Code and other applicable laws. The OMMU is responsible for oversight and implementation of medical marijuana laws in Florida. Under Florida law, FLUENT is a licensed MMTC.

Florida Statutes

Section 381.986, Florida Statutes, governs the cultivation, processing, dispensing and ordering of marijuana for medical use in Florida by qualified Florida-licensed physicians for medical use by qualified patients. Under this law, “medical use” means “acquisition, possession, use, delivery, transfer, or administration of marijuana authorized by a physician certification”. Legally permitted routes of administration include edibles, inhalation (e.g. vaporization), oral (e.g. capsules, tinctures), sublingual (e.g. sublingual tinctures), suppository, topical (e.g. creams), and smokable forms.

Only Florida-licensed physicians who undergo the required training can recommend marijuana for medical use in Florida. Qualified patients must be permanent Florida residents and must be diagnosed with one of the qualifying medical conditions set forth in Section 381.986(2), Florida Statutes.

Chapter 64-4, Florida Administrative Code

As required by Florida Statutes, OMMU implements regulations governing the use of medical marijuana in the state, including the licensing of businesses to cultivate, process and dispense medical marijuana to qualified patients. These regulations are found in Chapter 64-4, Florida Administrative Code, and emergency rule chapters 64ER20 through 64ER25.

U.S. Attorney Statements

To the knowledge of management of FLUENT, there have not been any statements or guidance made by federal authorities or prosecutors regarding the risk of enforcement action in Florida.

Licensing and Compliance in Florida

In Florida, OMMU administers and maintains the state’s medical marijuana program pursuant to the Florida Constitution, Florida Statutes, and applicable administrative rules. Florida law currently requires each MMTC to be vertically integrated, which means the MMTC must control all aspects of the operations from “seed to sale”. Additionally, as a condition to becoming operational, each MMTC is statutorily required to comply with all disclosures made to obtain the license. All cannabis must be grown in an enclosed, secure structure or building, or an enclosure within a building, with adequate security requirements to prevent diversion. Each cultivation or manufacturing facility must also have security on site. MMTCs must track cannabis from “seed to sale”, accounting for all disposed and dispensed cannabis and related materials in the process. All facilities and vehicles must have extensive security features, surveillance capabilities and the ability to maintain records of all activities as well as video surveillance maintenance. Only qualified patients or registered caregivers can be dispensed cannabis pursuant to a qualified physician’s active recommendation; all of which must be confirmed prior to dispensation. The MMTC must maintain approved waste management and sanitation policies and be certified by a nationally accredited certifying body as compliant with Good Manufacturing Practices at all of its processing facilities. All medical marijuana products must be approved by OMMU before they may be offered for dispensing to patients. All MMTCs must comply with the privacy requirements of Section 381.987, Florida Statutes, which mandate that all patient information in the state’s registry be kept confidential, with limited exceptions for law enforcement, government investigations and pre-approved research activities. Additionally, all employees must pass state mandated criminal history background screenings.

To ensure compliance with state requirements, FLUENT has implemented a robust compliance program based on its standard operating procedures, which have been adapted to comply with the requirements of Florida law. Regular audits are conducted of all sales, deliveries and video surveillance to ensure dispensation are conducted appropriately to identify and/or prevent diversion activities. All departments conduct regular staff meetings to discuss and identify updated needs or issues to address. Products are scanned and tracked throughout the entire process to ensure appropriate chain of custody from initial plant to finished product being dispensed to the patient. Patients and caregivers, furthermore, must have their identification confirmed in the statewide secure database, and they must have an active recommendation from a physician to be dispensed medication. Employees hired at facilities and/or for fleet and transportation delivery must pass drug screening tests. FLUENT also utilizes either cloud-based or internal secure servers

for the storage of information, both of which follow HIPAA guidelines. Lastly, OMMU makes regular announced or unannounced inspections of the facility, therefore ensuring compliance on a daily basis is a top priority. As of November 13, 2025, all background checks completed through the Department of Health are completed on a State and National level.

Licenses

FLUENT, through its direct and indirect wholly owned Subsidiaries, is licensed to cultivate, process and sell medical cannabis and to own and operate individual dispensary locations as well as deliver product directly to customer's homes throughout the State of Florida.

In the State of Florida, the OMMU issues licenses to produce and sell medical cannabis (i.e., the MMTC License (formerly a Dispensing Organization License)).

The MMTC License held by FLUENT's Florida subsidiary was renewed for a two-year term effective August 12, 2024. FLUENT has submitted for an additional two-year renewal.

Dispensary Requirements

MMTCs may dispense up to a 70-day supply of medical marijuana in non-smokable forms or up to a 35-day supply in smokable forms at any time, consistent with how Section 381.986, Florida Statutes, and applicable rules, define those amounts. The MMTC employee responsible for dispensing has a unique employee ID number that is used in a mandated point of sale program utilized to track all interactions with patients and/or their caregivers. The MMTC employee must verify that: (i) the patient and/or caregiver (if applicable) has an approved registration in the State Registry as well as the proper identification card issued by the State of Florida; (ii) the quantity and type of cannabis being ordered matches the physician directed registry entry; and (iii) the physician directed amount has not already been dispensed at another dispensary of any MMTC. For patients under 18 years of age, product may only be dispensed to a properly registered and identified caregiver of the patient. In every case, the MMTC must be able to provide a record of activity in the registry indicating: (i) the date, time, quantity and form of cannabis dispensed; (ii) the delivery device for the cannabis that was dispensed; and (iii) the name and identification number of the individual that received the dispensed product. At all times, the MMTC employee must ensure the privacy of information in regards to the patient records as required by Florida legislation and applicable privacy laws.

Security and Storage Requirements for Cultivations, Processing and Dispensing Facilities

Adequate outdoor lighting is required from dusk to dawn for all MMTCs. 24-hour per day video surveillance is required and all MMTCs must maintain at least a rolling 45-day video retention period that is made available to law enforcement upon demand. Alarm systems must be active at all items for all entry points and windows. Interior spaces must also have motion detectors and all cameras must give unobstructed view of key areas. Panic alarms must also be available for employees to be able to signal authorities when needed.

In dispensaries, the MMTC must provide a waiting area with a sufficient seating area. There must also be a minimum of one private consultation/education room for the privacy of the patient(s) and their caregiver (if applicable). The MMTC may only dispense from dispensaries between 7:00 am and 9:00 pm. All active products must be kept in a secure location within the dispensary and only empty packaging may be kept in the general area of the dispensary. No product or delivery devices may be on display in the waiting area.

An MMTC must at all times provide secure and logged access for all cannabis materials. This includes approved vaults or locked rooms. There must be at least two employees of the MMTC or an approved security provider on site at all times at cultivation and processing facilities, and at dispensaries when they are open. All employees must wear proper identification badges and visitors must be logged in and wear a visitor badge while on the premises. The MMTC has a 24-hour period in which it must report any suspected activity of loss, diversion, or theft of cannabis materials.

Transportation Requirements

When transporting cannabis to dispensaries or to patients for delivery, a manifest must be prepared, and transportation must be done using an approved vehicle. The cannabis must be stored in a separate, locked area of the vehicle and at all times there must be two people in a delivery vehicle. During deliveries, one person must remain with the vehicle. The delivery employees must at all times have identification badges. The manifest for all deliveries must be generated by the State approved tracking software. The manifest must include the following information: (i) departure date and time; (ii) name, address and license number of the originating MMTC; (iii) name and address of the receiving entity; (iv) the quantity, form and delivery device of the cannabis; (v) arrival date and time; (vi) the make, model and license plate of the delivery vehicle; and (vii) the name and signatures of the MMTC delivery employees. These manifests must be kept by the MMTC for inspection for up to three (3) years. During the delivery, a copy of the manifest is also provided to the recipient.

OMMU Inspections

The OMMU conducts announced and unannounced inspections of MMTC's to determine compliance with the laws and regulations. The OMMU also must inspect an MMTC upon receiving a complaint or notice that the MMTC has dispensed cannabis containing mold, bacteria, or other contaminants that may cause an adverse effect to humans or the environment. The OMMU conducts at least a biennial inspection of each MMTC to evaluate the MMTC's records, personnel, equipment, security, sanitation practices and quality assurance practices.

Spirit Lake, FLUENT's Florida MMTC license-holding entity received a Notice of Violation from the Florida Department of Health on October 12, 2023 alleging inaccurate potency labeling on certain products in contravention of Emergency Rule 64ER20-39, 46.226 Fla. Admin. Reg. 5030 (Nov. 19, 2020) (the "**Emergency Rule**"). Spirit Lake filed an Amended Petition for Formal Administrative Hearing, Challenging Agency Statements as Unadopted Rules, and Emergency Rule Challenge on November 27, 2023 (the "**Petition**") to challenge the Emergency Rule on the grounds that it has not yet been formally adopted by the State of Florida. If the Petition is not successful, the potential penalty could be greater than \$100,000. The Department of Health has taken no action on the Petition since it was filed in 2023.

Texas

Regulatory Framework

Under the Texas Compassionate Act ("**TCUA**") enacted in 2015, Texas initially limited the scope of authorization of cannabis for medical purposes to the cultivation, processing and dispensing of low-THC cannabis prescribed to epilepsy patients.

In May 2019, the Texas legislature passed a bill that significantly expanded the Texas Compassionate Use Program ("**TCUP**"), which was subsequently signed into law by the Governor of Texas. The 2019 amendments broadened patient access to medical cannabis products containing up to 0.5 percent THC for patients with qualifying medical conditions and diseases including epilepsy, seizure disorders, multiple sclerosis, spasticity, amyotrophic lateral sclerosis (ALS), autism and terminal cancer.

Subsequent legislative amendments further expanded the TCUP. In 2021, the Texas Legislature increased the permissible THC concentration in low-THC products from 0.5 percent to 1 percent by weight and added additional qualifying conditions, including all forms of cancer and post-traumatic stress disorder (PTSD). In September 2025, House Bill 46 amended the TCUP by replacing the prior percentage-by-weight THC limitation with a dosage-based framework permitting low-THC cannabis products containing not more than 10 milligrams of THC Variant per dose and not more than one gram of THC Variant per package.

Compassionate Use Act

The TCUA directs the Texas Department of Public Safety ("**DPS**") to create a secure registry of Texas-licensed physicians who are authorized to treat qualifying conditions by prescribing low-THC cannabis to

qualified patients diagnosed with qualifying medical conditions such as epilepsy, seizure disorders, multiple sclerosis, spasticity, ALS, autism, cancer, or incurable neurodegenerative diseases. The TCUA originally required DPS to license at least three dispensing organizations meeting statutory requirements. The license authorizes the organizations to cultivate, process and dispense low-THC cannabis to prescribed patients.

The act defines low-THC cannabis as: the plant *Cannabis Sativa L.*, and any part of that plant or any compound, manufacture, salt, derivative, mixture, preparation, resin or oil of that plant that contains: (A) not more than 10 milligrams of THC Variant per dose; and (B) not more than one gram of THC Variant per package.

Under the act, medical use of low-THC cannabis means “ingestion by a means of administration other than by smoking of a prescribed amount of low-THC cannabis by a person for whom low-THC cannabis is prescribed.”

Administrative Rules

The Texas Department of Public Safety adopted rules implementing the TCUA in 2017. These rules, the Compassionate Use/Low-THC Cannabis Program Administrative Rules, are found in 37 Texas Administrative Code 1, Chapter 12. They establish licensing requirements and operational standards applicable to dispensing organizations, including requirements relating to building design and construction, records, testing, production (including limitations on the use of pesticides and other products that could harm patient health), packaging, labeling, restrictions on eligible persons who can receive low-THC cannabis, criminal history disqualifiers for licensees and their employees, sanitation and waste disposal.

All low-THC cannabis must be grown in an enclosed, secure building, or an enclosure within a building with adequate security requirements to prevent diversion. Licensees must track low-THC cannabis from “seed to sale,” accounting for all disposed and dispensed low-THC cannabis and related materials in the process. All licensee buildings and vehicles must have extensive security features, surveillance capabilities and the ability to maintain records of all activities. All licensees must confirm that patients are properly registered and that prescriptions for low-THC cannabis were properly submitted before completing a sale.

Production is limited under the rules; DPS will only issue sufficient licenses to provide the epileptic population of Texas with the most current scientifically accepted dosage. The amount of production permitted is recalculated every year as provided in the rules. As of December 31, 2025, DPS had issued three fully operational dispensing organization licenses: FLUENT’s subsidiary in Texas was licensed on September 1, 2017 and holds one of the three final operating licenses issued by DPS. Since December 2025 DPS has awarded 12 conditional licenses pursuant to House Bill 46. The conditional licensees are not permitted to begin dispensing operations until they complete DPS’ diligence review process and obtain final licensure approval.

U.S. Attorney Statements

To the knowledge of management of FLUENT, there have not been any statements or guidance made by federal authorities or prosecutors regarding the risk of enforcement action in Texas.

Licensing and Compliance in Texas

TCUP is administered by DPS. State law currently requires each license holder to be vertically integrated, which requires the license holder to control all aspects of the operations from “seed to sale”. State law imposes dosage-based limitations on THC content, including limits on THC Variant per dose and per package, together with product testing and recordkeeping requirements. All low-THC cannabis must be grown in an enclosed, secure building, or an enclosure within a building with adequate security requirements to prevent diversion. Licensees must track low-THC cannabis from “seed to sale”, accounting for all disposed and dispensed low-THC cannabis and related materials in the process. All licensee buildings and vehicles must have extensive security features, surveillance capabilities and the ability to maintain records of all activities as well as video surveillance maintenance. Each facility is required to

maintain comprehensive security measures, including surveillance, access controls and other safeguards to prevent diversion and unauthorized access. All licensees must confirm that patients are properly registered and that prescriptions for low-THC cannabis were properly submitted before completing a sale. Additionally, all employees must pass state mandated criminal history background screenings.

The Texas Subsidiary currently holds and operates a Dispensing Organization license in Texas. To ensure compliance with state requirements, FLUENT has implemented a robust compliance program based on its standard operating procedures which have been adapted to comply with the requirements of Texas law. Regular audits are conducted of all sales, deliveries and video surveillance to ensure dispensation are conducted appropriately and identify and/or prevent diversion activities. All departments conduct regular staff meetings to discuss and identify updated needs or issues to address. Products are scanned and tracked throughout the entire process to ensure appropriate chain of custody from initial plant to finished product being dispensed to the patient. This ensures that in the event of a recall event, FLUENT has the capability of identifying the suspect products back to the original batch from the greenhouse. Additionally, a visitor request form must be approved for all non-employee guests visiting any facility, and such guests must be logged upon entry and wear a visitor ID badge at all times. All deliveries to patients or dispensaries are conducted in unmarked, nondescript vehicles which maintain interior and exterior security and surveillance features, as well as global positioning system tracking capabilities. Patients and caregivers, furthermore, must have their identification confirmed in the statewide secure database, and they must have an active prescription from a physician recorded in the state's database to be dispensed medication. All employees must not only pass the state required criminal history screening as a condition to hiring but must pass a drug screening as well. FLUENT also utilizes either cloud-based or internal secure servers for the storage of information, both of which follow HIPAA guidelines. Lastly, the state has the capability to make announced or unannounced inspections of any facility, therefore ensuring compliance on a daily basis is a top priority.

Licenses

The Texas Subsidiary obtained a Dispensing Organization License from DPS on September 1, 2017. This license allows the Texas Subsidiary to cultivate and produce cannabis as well as operate a dispensary at the cultivation site. The license also allows for home delivery of the product. The current license was renewed in September 2025 and expires on October 1, 2027. The Texas Subsidiary holds one of the three final operating licenses issued by the Department of Public Safety in Texas as of the date of this Circular.

Dispensary Requirements

Texas licenses dispensing organizations to dispense low-THC products, including through approved dispensing and delivery products. As FLUENT does not operate a dispensary currently, all dispensations are through FLUENT's home delivery program. Prior to making a home delivery, Dispensing Organizations must verify a patient has an active prescription in Texas' Compassionate Use Registry of Texas (CURT) System.

Security and Storage Requirements for Cultivation, Processing and Dispensing Facilities

The cultivation and processing facility has a security guard present 24 hours a day, 7 days per week who monitors the security cameras and provides access to the main gate and signs in all visitors. The facility has a security fence around the perimeter of the property and a second fence around the immediate cultivation and production campus. There is a video surveillance system that has 360-degree views of the interior and exterior of the facility including the fence perimeter. All cannabis products are stored in a secured storage room with limited access and video surveillance. The cannabis product is stored in a secured vault and cash is stored in a separate cash vault in the secured storage room. Security records are maintained including building access, visitor logs, video recordings and transportation trip plans.

Staff may not allow access to the facility's cultivation, processing and/or product storage areas by unauthorized individuals or to the public unless they are escorted at all times. All cultivation of low-THC cannabis takes place in an enclosed, secured building, or an enclosure within a building that provides reasonably adequate protection against the diversion of low-THC cannabis or raw materials used in or by-

products created by the production or cultivation of low-THC cannabis. Staff must limit access to each area to the minimum number of individuals or employees necessary for the licensee's activities, designate an individual or a limited number of individuals with responsibility for each area where a controlled item is cultivated, processed, dispensed, produced or stored, and control entry into the area for authorized personnel only. Access to the enclosed, locked area is limited to a licensee, director, manager or registered employee when acting in his or her official capacity.

The facility has an alarm system capable of continuously monitoring the regulated premises for fire and intrusion by means of camera recording, door switches, motion sensors, and fire and smoke detectors. The camera monitoring system is capable of recording at least 90 days of footage to an external hard drive. All cameras have a battery back-up.

Transportation Requirements

Any vehicle used by a dispensing organization for the transportation of low-THC cannabis must have a vehicle security system and a securely attached and locked container within the vehicle. It is the responsibility of the licensee to ensure that only authorized personnel have access to the locked secure container within the vehicle. Prior to transportation of any product, a licensee shall complete a trip plan that includes: (1) the name of the registrant responsible for the transportation; (2) the date and start time of the trip; (3) the anticipated route of transportation and destination; and (4) a detailed invoice or log of the specific type of product and amount to be transported. Promptly following transportation, the licensee shall enter the end time of the trip and any changes to the trip plan, including any changes to the amount of product delivered to the location.

Department Inspections

The Department of Public Safety performs weekly inspections of the facility. All requested records are given onsite or electronically as requested.

New York

New York Legislative History

In July 2014, the New York legislature and Governor of New York enacted the Compassionate Care Act (the “**CCA**”) to provide a comprehensive, safe and effective medical cannabis program. The CCA bill was part of the Title V-A in Article 33, Title 10, Chapter 13 of the Public Health Law. The CCA provided access to the program to those who suffer from one of 31 qualifying serious conditions including debilitating or life-threatening conditions such as cancer, HIV/AIDS, ALS and chronic pain. Patients were also required to have one of the following associated or complicating conditions: cachexia or wasting syndrome, severe or chronic pain, severe nausea, seizures, or severe or persistent muscle spasms. Pursuant to the CCA, only a limited number of product offerings were allowed including metered liquid or oil preparations, solid and semi-solid preparations (e.g., capsules, chewable and effervescent tablets), and topical forms and transdermal patches. Medical cannabis was not permitted to be incorporated into food products unless approved by the Commissioner of Health and smokable cannabis flower was prohibited.

On March 31, 2021, the New York State legislature passed the Marijuana Regulation and Taxation Act (the “**MRTA**”), legalizing adult-use cannabis in the state and establishing a regulatory framework for medical and adult-use cannabis and hemp. Under the MRTA, the CCA provisions were repealed effective six months after the appointment of the CCB, the approval and oversight body of the Office of Cannabis Management in New York (“**OCM**”). The CCB was appointed in September 2021 and held its first meeting on October 5, 2021. Accordingly, the CCA was repealed as of April 2022. The MRTA also provides for the transfer of authority over medical cannabis from the New York Department of Health (“**NYDOH**”) to the CCB and the OCM.

On September 27, 2023, CCB adopted final adult-use regulations for the New York adult-use cannabis market, incorporating feedback from two prior public comment periods. Under the approved regulations, a one-time special licensing fee related to an RO's transition to New York's adult-use cannabis market is

\$20,000,000 in total (exclusive of application fees), with \$5,000,000 payable when an RO receives its ROD license, with another \$5,000,000 payable within 180 days of opening its second co-located dispensary (with the first co-location permitted not sooner than December 29, 2023, which is one year from the date of the first legal sale of adult-use cannabis in the state of New York, and the remaining two stores no sooner than June 29, 2024), \$5,000,000 payable within 30 days of achieving \$100,000,000 in revenue from its ROD license, and \$5,000,000 payable within 30 days of achieving \$200,000,000 in revenue from its ROD license. The balance of the \$20,000,000 special licensing fee must be paid by December 31, 2033, even if the triggering events above are not achieved unless aggregate New York State cannabis retail and wholesale revenues are less than \$20 billion, in which case, the fee obligation sunsets. Under the proposed regulations, if an ROD license expires or is otherwise revoked, cancelled, or abandoned before December 31, 2033, the ROD must still pay the remainder of the \$20,000,000 special licensing fee. The approved regulations included a significant number of other rules governing the ROs as well as other aspects of the adult-use market. While this fee structure is still present in NYCRR § 120.4 as of November 5, 2025, it was superseded by legislation included in the 2026 NY state budgeting process. ROD licensees must now pay a \$15,000,000 total special licensing fee, with \$3,000,000 payable at the time the ROD receives its ROD license, \$4,000,000 payable within 180 days of opening its second co-located adult-use retail dispensary, \$4,000,000 payable within 30 days of achieving \$100,000,000 in revenue from its ROD license, and \$4,000,000 payable within 30 days of achieving \$200,000,000 in revenue from its ROD license. This new payment structure applies retroactively, with any excess payments made by already-licensed RODs being credited towards future payments. Further, should a ROD license expire, be cancelled, revoked, or otherwise terminated, under the new law the operator will no longer be required to make further payments.

On February 22, 2023, the OCM issued final regulations to govern medical cannabis and replace the former medical regulations promulgated by the NYDOH. On July 19, 2023, the OCM recommended and the CCB approved proposed amendments to align the adopted medical regulations with the proposed adult-use regulations. The amended medical regulations were adopted by the CCB and ultimately made effective on March 27, 2024.

The OCM has also:

- Released Laboratory Testing Regulations (Part 130) effective as of March 22, 2023.
- Issued Packaging, Labeling, Marketing and Advertising Regulations (Part 128 and 129), the most recent version of which became effective as of December 3, 2025.
- Issued final Personal Home Cultivation of Medical Cannabis regulations (Part 115), the most recent version of which became effective on June 26, 2024.
- Proposed changes to the Personal Home Cultivation of Medical Cannabis regulations (Part 115), which became effective June 26, 2024.
- Proposed changes to the adult-use regulations (Parts 118-121, 124-125, and 131), which became effective November 5, 2025.
- Awarded a number of adult-use cannabis licenses for Adult-Use Retail Dispensaries, Cultivators, Processors, Distributors, and Microbusinesses.

Please refer to “Compliance Program and Procedures” below for information regarding FLUENT’s compliance program and procedures in New York.

New York Operations

Please refer to “*Description of the Business – General Overview – New York*” for additional information regarding FLUENT’s operations, products and brands in New York.

New York Licenses

Etain holds an RO/ROD license in New York. These vertically integrated licenses permit FLUENT to cultivate, manufacture, distribute, deliver, and sell at retail, cannabis products both to adult-use consumers and registered patients in New York. The cultivation, manufacturing, and sale must occur on the licensed premises. FLUENT currently has one operating co-located dispensary and two cultivation, processing, and distribution facilities in New York.

Under the MRTA, FLUENT can expand to a maximum of eight dispensaries statewide with a maximum of three permitted to co-locate for medical and adult-use sales.

The New York cultivation, processing, and dispensary licenses are valid for two years from the date of issuance. The table below lists FLUENT's licenses:

License Number	City/County	Expiration Date	Description	Status
OCM-XROD-23-000004	N/A	12/12/2025 ⁽¹⁾	Adult-Use Retail Dispensary, Registered Organization	Active
MM0401M	Chestertown	11/16/2025 ⁽²⁾	Acquiring, possession, manufacture, sale, transporting, and distributing medical and adult-use cannabis	Active
MM0409M	Buffalo	7/30/2027 ⁽²⁾	Acquiring, possession, cultivation, manufacture, sale, transporting, and distributing medical and adult-use cannabis	Active
MM0403D	Kingston	09/09/2026 ⁽²⁾	Acquiring, possession, sale, transporting, distributing, and dispensing medical and adult-use cannabis	Decommissioned
MM0405D	Syracuse	11/16/2025 ⁽²⁾	Acquiring, possession, sale, transporting, distributing, and dispensing medical cannabis	Decommissioned
MM0407D	Manhattan	09/09/2026 ⁽²⁾	Acquiring, possession, sale, transporting, distributing, and dispensing medical and adult-use cannabis	Decommissioned
MM0408D	White Plains	02/08/2026 ⁽²⁾	Acquiring, possession, sale, transporting, distributing, and dispensing medical and adult-use cannabis	Active
OCM-HMPR-22-00108	Manhattan Kingston Syracuse	02/24/2024 ⁽³⁾	Cannabinoid Hemp Retail License	Decommissioned
OCM-HMPE-23-00046	Chestertown	02/16/2025 ⁽³⁾	Cannabinoid Hemp Processor – Extracting & Manufacturing License	Needs Renewal

Note:

- (1) FLUENT's New York license renewal for both the RO and ROD licenses was submitted on March 24, 2026. FLUENT is currently operating under the State Administrative Procedure Act protection for all New York cannabis licenses. Pursuant to section 401(2) of the State Administrative Procedure Act, a licensee who has submitted a "timely and sufficient" renewal application can

continue to operate under the expired license until a decision is made on the renewal application. The Office of Cannabis Management is currently treating the RO and ROD as two separate licenses with two separate renewal approvals. Each ROD licensee is required to have four operational medical (or co-located) dispensaries at the time of license renewal. With only one operational co-located dispensary, FLUENT's ROD license will remain in State Administrative Procedure Act protection pending further developments.

- (2) FLUENT's New York license renewal for both the RO and ROD licenses was submitted on March 24, 2026. FLUENT is currently operating under State Administrative Procedure Act protection for all New York cannabis licenses. Pursuant to section 401(2) of the State Administrative Procedure Act, a licensee who has submitted a "timely and sufficient" renewal application can continue to operate under the expired license until a decision is made on the renewal application. The Office of Cannabis Management is currently treating the RO and ROD as two separate licenses with two separate renewal approvals. Pending any renewal application deficiencies, FLUENT expects the Cannabis Control Board to approve the RO license.
- (3) Etain received confirmation from the OCM in 2024 that Etain could continue operating under the current licenses due to an information technology issue.

While FLUENT's compliance controls have been developed to mitigate the risk of any material violations of a license arising, there is no assurance that New York cannabis licenses will be renewed in the future in a timely manner. Any decision not to renew such licenses or unexpected delays or costs associated with the licensing renewal process could impede the ongoing or planned New York cannabis operations and could have a Material Adverse Effect on the business, financial condition and results of operations of FLUENT.

(2) *New York Record-Keeping and Reporting*

The OCM requires Cannabis Licensees to maintain records for at least five years and make such records available for inspection upon request. Records are required to include: (a) architectural diagrams and floorplans; (b) financial records; (c) personnel records; (d) training records; (e) contracts regarding cannabis activity; (f) all records related to advertising and marketing; (g) standard operating procedures; (h) laboratory testing results for each lot or batch of cannabis or cannabis product tested; (i) records of equipment used in cultivation of processing of cannabis, including maintenance performed, name of mechanics performing maintenance, and the date of maintenance; (j) policies and procedures that notify persons of disabilities of their rights; (k) policies and procedures demonstrating promotion of diversity in the workplace; (l) all other documents prepared or executed in connection with the license; and (m) any other records that the OCM or applicable law may determine.

Additionally, ROD licensees must comply with the regulations which apply to registered organizations. Registered organizations are required to maintain, for a period of five years, records regarding: (a) documentation, including lot numbers where applicable, of all materials used in the manufacturing of the approved medical cannabis products to allow tracking of the materials, including but not limited to, soil, soil amendment, nutrients, hydroponic materials, fertilizers, growth promoters, pesticides, fungicides, and herbicides, (b) cultivation, manufacturing, packaging and labelling production records, and (c) laboratory testing results.

As of May 5, 2026, cannabis licensees are no longer required to submit weekly and quarterly reports to the OCM regarding the products dispensed. Instead, such information will be provided in real-time. For additional information, see below.

(3) *New York Inventory/Storage*

The OCM uses the Metrc seed-to-sale system to track commercial cannabis activity. As of May 5, 2026, cannabis licensees are no longer required to submit reports to the OCM providing information regarding inventory and products dispensed. All cannabis licensees must utilize a real time inventory tracking system. Cultivators must have an on-premises based identification system. Licensees may use Metrc's system, or third party systems capable of integrating with Metrc. Inventory tracking systems must, at a minimum,

include: (a) batch or unique identifiers for all cannabis and cannabis products; (b) a complete cannabis and cannabis product inventory; as well as inventory adjustments, from cultivation, processing, transport, laboratory testing, distribution, waste, sale disposal, product return, or any other activities; (c) for processors, any additives or ingredients use in the processing of cannabis; (d) all samples sent to an independent testing laboratory, any sample of unused portion of a sample returned to a licensee, and the quality assurance test results; (e) all samples provided to another licensee; (f) samples provided to the OCM for quality assurance compliance review; and (g) any other information requested by the OCM.

For medical cannabis products, a record of all approved medical cannabis products that have been dispensed must be filed with the OCM by ROs electronically through the Metrc system no later than 24 hours after the cannabis was dispensed to a certified patient or designated caregiver. The information filed must include (a) a serial number for each approved medical cannabis product dispensed to the certified patient or designated caregiver, (b) an identification number for the RO's dispensing facility, (c) the patient's name, date of birth and gender, (d) the patient's address, (e) the patient's registry identification card number, (f) the date the medical cannabis product was dispensed by the dispensing site, (g) the metric quantity for the medical cannabis product, (h) the medical cannabis product identifier code number, (i) the number of days supply dispensed, (j) the certifying practitioner's DEA number, (k) the date the written certification was issued by the certifying practitioner, and (l) the payment method.

All cannabis containing inventory is tracked in the state's Metrc seed-to-sale system. All cannabis and cannabis products must be stored in a secure area or location within the RO/ROD and be accessible only to a minimum number of employees essential for efficient operation and in such a manner as approved by the OCM in advance, to prevent diversion, theft or loss and against physical, chemical and microbial contamination and deterioration. Cannabis must be returned to its secure location immediately after completion of manufacture, distribution, transfer or analysis. Monthly inventories of all cannabis and cannabis material are required. Any cannabis that is deemed to be waste material must be rendered inert and disposed of in accordance with the cannabis regulations. Destruction records must be carefully maintained for a period of five years.

(4) New York Security

All facilities operated by a RO/ROD, including any manufacturing facility and dispensing facility, must have a security system to prevent and detect diversion, theft or loss of cannabis and/or medical cannabis products. The security system must utilize commercial grade equipment which includes a perimeter alarm and a failure notification system that provides an audible text or visual notification of any failure in the surveillance system. Manufacturing and dispensing facilities must direct cameras at all approved safes, vaults, dispensing areas, cannabis sales areas and any other area where cannabis is manufactured, stored, handled, dispensed or disposed of. Manufacturing and dispensing facilities must angle the cameras to allow for the capture of clear and certain identification of any person entering or exiting the facilities. The surveillance cameras must record during hours of operation and at any time that cannabis or medical cannabis products, in any form, are being handled, and motion activated recordings at all other times. Recordings from all surveillance cameras must be readily available for immediate viewing by a New York State authorized representative upon request and must be retained for at least 60 days. A RO/ROD must regularly test the security and surveillance equipment at each manufacturing and dispensing facility that is operated under the RO's registration. Records of security tests must be maintained for five years.

(5) New York Transportation

Cannabis products must be transported in a locked storage compartment whether by motorized or unmotorized means, and in a storage compartment that is not readily visible. An employee of a RO/ROD, when transporting approved cannabis products, must (a) possess a copy of the shipping manifest at all times when transporting or delivering cannabis products, (b) keep the shipping manifest for a minimum of five years, (c) ensure that the transport team members have the ability to communicate with employees of the RO/ROD at all times that the vehicle contains cannabis products, and (d) have an operational Global Positioning System (GPS) device for identifying the geographic location of the transportation at all times while cannabis products are being transported.

(6) *New York Inspections*

A cannabis licensee in New York must make its books, records and manufacturing and dispensing facilities available to the OCM or its authorized representatives for monitoring, on-site inspection, and audit purposes, including but not limited to, periodic inspections and/or evaluations of facilities, methods, procedures, materials, staff and equipment to assess compliance with requirements of New York State law.

If any deficiencies are identified by the inspection, such deficiencies must be documented in a statement of findings issued by OCM. The RO/ROD then has 30 days from the issue date of the statement of findings to submit a written plan of correction.

(7) *U.S. Attorney Statements in New York*

To the knowledge of management of FLUENT, other than as disclosed elsewhere in this Circular, there have not been any statements or guidance made by federal authorities or prosecutors regarding the risk of enforcement action in New York.

(8) *Compliance Program and Procedures*

FLUENT, through its wholly-owned subsidiary Etain, has in place comprehensive standard operating procedures and policies, which are compliant with the applicable state and local laws, regulations, ordinances, and other requirements. As part of FLUENT's cannabis license renewal application, submitted to OCM in April 2026, FLUENT submitted the change history of all standard operating procedures and compliance policies. FLUENT, through Etain, continues to monitor and update these policies and protocols as changes are made.

While FLUENT believes that it is currently in compliance with New York State rules, regulations and license requirements, there are significant risks associated with its business and the business of its contractual parties. Further, the rules and regulations as outlined above are not a full complement of all the rules that FLUENT is required to follow in the state of New York. FLUENT will monitor, the applicable rules and regulations of the state of New York as well as correspondence and changes to, and updates of, rules or regulatory policies impacting FLUENT in the state of New York. FLUENT has engaged New York State and local regulatory/compliance counsel to assist in evaluating compliance of applicable requirements, and FLUENT has a compliance department to monitor and implement applicable requirements.

FLUENT has no non-compliance citations or notices of violation which would be expected to have a material impact on its licenses, business activities or operations.

In addition, FLUENT has a comprehensive training program that emphasizes, among other things, the importance of compliance with state and local laws and security and inventory control.

In order to comply with industry best practices, FLUENT performs, amongst other things, the following:

- Ensure the operations are compliant with all licensing requirements that are set forth with regards to cannabis operation by New York State.
- Ensure the activities relating to cannabis business adhere to its New York State licensing requirements.
- FLUENT functions within the New York State regulatory environment, which imposes a range of requirements and strict regulatory oversight aimed at ensuring, as do FLUENT's business policies and practices, sufficient checks and balances to ensure that no revenue is distributed to criminal enterprises, gangs and cartels.
- Ensure FLUENT's products and product packaging are in compliance with applicable regulations and contain required disclaimers regarding such products.

While FLUENT strives to ensure that operations are in compliance with New York State laws, regulations and licensing requirements, some of such activities remain illegal under U.S. Federal Law. For the reasons

described above and the risks further described under the heading “*Risk Factors*” below, there are significant risks associated with the business of FLUENT in New York.

SUMMARY OF FINANCIAL INFORMATION

FLUENT's Financial Statements

Attached as Schedule I to the Circular are the: (i) Annual Financial Statements; (ii) the Annual MD&A; (iii) the Interim Financial Statements; and (iv) the Interim MD&A.

DESCRIPTION OF SHARE CAPITAL AND SECURITIES

Authorized Share Capital

FLUENT's authorized share capital consists of an unlimited number of Common Shares, an unlimited number of Proportionate Voting Shares, and an unlimited number of Non-Voting Shares.

As of the Record Date: (i) 613,261,139 Common Shares were issued and outstanding, representing approximately 96.2% of the voting rights attached to the outstanding securities of FLUENT; (ii) 2,450,188 Proportionate Voting Shares were issued and outstanding, representing approximately 3.8% of the voting rights attached to the outstanding securities of FLUENT; and (iii) nil Non-Voting Shares were issued and outstanding. Each Common Share carries the right to one vote in respect of each of the matters properly coming before the Meeting and each Proportionate Voting Share carries the right to 10 votes in respect of each of the matters properly coming before the Meeting. The holders of Non-Voting Shares are not entitled to vote at meetings of the Shareholders (except as otherwise provided or required by applicable law or an order of a court of competent jurisdiction). Each Non-Voting Share may at any time, at the option of the holder, be converted into one Common Share. All previously outstanding Non-Voting Shares were converted to Common Shares on July 18, 2025; see “*Fiscal Year Ended December 31, 2025*” for further information.

Description of the Common Shares and Proportionate Voting Shares

The holders of Common Shares are entitled to receive notice of and to attend all meetings of the Shareholders, except a meeting at which only the holders of another class or series of shares of FLUENT is entitled to vote. Each Common Share entitles the holder thereof to one vote at each such meeting.

The holders of Common Shares are entitled to dividends if, as and when declared by the Board; provided that the directors simultaneously declare a dividend payable on the Proportionate Voting Shares and the Non-Voting Shares. Upon liquidation, dissolution or winding up, the holders of Common Shares are entitled to participate *pari passu* with the holders of Proportionate Voting Shares and the holders of Non-Voting Shares.

Proportionate Voting Shares, or fractions thereof, may at any time, at the option of the holder and subject to certain restrictions, be converted into Common Shares at a ratio of 10 Common Shares per one Proportionate Voting Share. Prior to conversion, each Proportionate Voting Share, or fraction thereof, carries 10 votes per Proportionate Voting Share (compared to one vote per Common Share) and is entitled to dividends and liquidation distributions in an amount equal to ten times the amount distributed in respect of each Common Share.

If a PVS Offer is made where: (i) by reason of applicable securities legislation or stock exchange requirements, the offer must be made to all holders of the class of Proportionate Voting Shares; and (ii) no equivalent offer is made for the Common Shares, for consideration per Common Share equal to 0.10 of the consideration offered per Proportionate Voting the holders of Common Shares have the right, pursuant to FLUENT Articles, at their option, to convert their Common Shares into Proportionate Voting Shares for the purpose of allowing the holders of the Common Shares to tender to such PVS Offer, provided that such conversion into Proportionate Voting Shares will be solely for the purpose of tendering the Proportionate Voting Shares to the PVS Offer in question and that any Proportionate Voting Shares that are tendered to

the PVS Offer but that are not, for any reason, taken up and paid for by the offeror will automatically be reconverted into the Common Shares that existed prior to such conversion.

In the event that holders of Common Shares are entitled to convert their Common Shares into Proportionate Voting Shares in connection with a PVS Offer pursuant to an Odd Lot will be entitled to convert all but not less than all of such Odd Lot of Common Shares into an applicable fraction of one Proportionate Voting Share, provided that such conversion into a fractional Proportionate Voting Share will be solely for the purpose of tendering the fractional Proportionate Voting Share to the PVS Offer in question and that any fraction of a Proportionate Voting Share that is tendered to the PVS Offer but that is not, for any reason, taken up and paid for by the offeror will automatically be reconverted into the Common Shares that existed prior to such conversion.

Coattail Provisions

The Common Shares and Proportionate Voting Shares are subject to certain coattail provisions, which provide that the holders of Common Shares or Proportionate Voting Shares, as applicable, will not be permitted to transfer, directly or indirectly, any Common Shares or Proportionate Voting Shares, as applicable, pursuant to a take-over bid (as defined in applicable securities legislation) under circumstances in which securities legislation would have required the same offer to be made to holders of Non-Voting Shares if the sale by the holders of Common Shares or Proportionate Voting Shares had been a sale of Non-Voting Shares rather than Common Shares or Proportionate Voting Shares (but otherwise on the same terms); provided that such restriction shall not apply to prevent a sale by any holder of Common Shares or Proportionate Voting Shares if concurrently an offer is made to purchase Non-Voting Shares under certain prescribed exceptions.

Subdivision or Consolidation

No subdivision or consolidation of the Common Shares and Proportionate Voting Shares may be carried out unless, at the same time, the Common Shares, Proportionate Voting Shares, and Non-Voting Shares are subdivided or consolidated in a manner so as to preserve the relative rights of the holders of each class of securities.

Description of the Non-Voting Shares

The holders of Non-Voting Shares are not entitled to vote at meetings of Shareholders (except as otherwise provided or required by applicable law or an order of a court of competent jurisdiction); but are entitled to receive notice of and attend any meeting of Shareholders. The holders of Non-Voting Shares are entitled to dividends if, as and when declared by the Board; provided that the directors simultaneously declare a dividend payable on the Common Shares, and upon liquidation, dissolution or winding-up, the holders of Non-Voting Shares are entitled to participate *pari passu* with the holders of Proportionate Voting Shares and the holders of Common Shares.

Conversion Right

The holders of Non-Voting Shares may at any time and from time to time, at the option of the holder, convert each Non-Voting Share for one Common Share by notice in writing to FLUENT's transfer agent and registrar.

Change of Control Adjustment

Upon (i) any consolidation, amalgamation, arrangement, merger, redemption, compulsory acquisition or similar transaction of or involving the Common Shares and Proportionate Voting Shares, other than a consolidation, amalgamation, arrangement, merger, redemption, compulsory acquisition or similar transaction that would result in the voting securities of FLUENT outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted or exchanged into voting securities of the continuing entity or its parent) more than 50% of the total voting power represented by the voting securities of FLUENT, the continuing entity or its parent and more than 50% of the total number of outstanding shares of FLUENT, the continuing entity or its parent, in each case as outstanding immediately

after such transaction, and the shareholders immediately prior to the transaction owning voting securities of FLUENT, the continuing entity or its parent immediately following the transaction in substantially the same proportions (vis a vis each other) as such shareholders owned the voting securities of FLUENT immediately prior to the transaction or (ii) a sale or conveyance of all or substantially all the consolidated assets of FLUENT and its subsidiaries to any other body corporate, trust, partnership or other entity (each, a “**Change of Control**”), each Non-Voting Share that is outstanding on the effective date of such Change of Control will remain outstanding and, upon the exchange of such Non-Voting Share thereafter, will be entitled to receive and will accept, in lieu of the number of Common Shares that the holder thereof would have been entitled to receive prior to such effective date, the number of shares or other securities or property (including cash) that such holder would have been entitled to receive on such Change of Control, if, on the effective date of such Change of Control, the holder had been the registered holder of the number of Common Shares which it was entitled to acquire upon the exchange of the Non-Voting Share as of such date (the “**Adjusted Exchange Consideration**”). In connection with a Change of Control, the holders of Non-Voting Shares may be offered, and accept, at the option of the holder, securities of another entity that are substantially similar to the terms of the Non-Voting Shares (the “**Alternative Exchangeable Security**”), as determined by the Board, acting reasonably, using the same exchange ratio as is applicable for the Common Shares in connection with the Change of Control, to exchange each Non-Voting Share held on the effective date of the Change of Control for the Alternative Exchangeable Security instead of receiving the Adjusted Exchange Consideration. If the Adjusted Exchange Consideration includes cash, then (a) FLUENT will use its commercially reasonable efforts to ensure that such cash is neither derived in a manner that violates, or derived from any business or operations in violation of, the CSA, and (b) FLUENT will, or will cause the other body corporate, trust, partnership or other entity resulting from or party to such Change of Control to, deposit with an escrow agent appointed by FLUENT on the closing date of the Change of Control the aggregate cash that would be payable to holders of Non-Voting Shares if all of the outstanding Non-Voting Shares were exchanged immediately following the Change of Control. All such funds will be held by the escrow agent in a segregated interest-bearing account for the benefit of the holders of Non-Voting Shares, and will solely be used to satisfy the cash portion of the Adjusted Exchange Consideration upon exchanges of Non-Voting Shares into Common Shares from time to time (with holders of Non-Voting Shares being entitled to any accumulated interest on the funds from the date of initial deposit to and including the business day immediately preceding the date of exchange, on a pro rata basis). If, in connection with a Change of Control, a holder of a Common Share may elect a form of consideration (including, without limitation, shares, other securities, cash or other property) from options made available, then all holders of Non-Voting Shares will also be entitled to elect a form of consideration from the options made available to holders of Common Shares, unless otherwise elected in writing by such holder of Non-Voting Shares in accordance with the terms of the transaction and prior to any applicable election deadline. In such case, the Adjusted Exchange Consideration will equal the consideration that a holder of Common Shares making an election on the terms set forth in the preceding sentence would have received in the transaction.

Subdivision or Consolidation

No subdivision or consolidation of the Non-Voting Shares may be carried out unless, at the same time, the Common Shares and Proportionate Voting Shares are subdivided or consolidated in a manner so as to preserve the relative rights of the holders of each class of securities.

Coattail Provisions

The holders of Non-Voting Shares may at any time and from time to time, at the option of the holder, convert each Non-Voting Share for one Common Share. The holders of Non-Voting Shares are not be permitted to transfer, directly or indirectly, any Non-Voting Shares pursuant to a take-over bid (as defined in applicable securities legislation) under circumstances in which securities legislation would have required the same offer to be made to holders of Common Shares if the sale by the holders of Non-Voting Shares had been a sale of Common Shares rather than Non-Voting Shares (but otherwise on the same terms); provided that such restriction shall not apply to prevent a sale by any holder of Non-Voting Shares if concurrently an offer is made to purchase Common Shares under certain prescribed exceptions.

Book-Entry

The Non-Voting Shares are issuable electronically in book-entry form only. Please see the disclosure under the heading “*Risk Factors*” in particular, under the heading “*The Non-Voting Shares have Different Rights from the Common Shares and There may Never be a Trading Market for the Non-Voting Shares.*” The Non-Voting Shares are not listed on a stock exchange or over-the-counter market.

Options

As at the date of this Circular, there are 15,958,150 Options outstanding. Each Option entitles the holder to purchase one Common Share at various exercise prices ranging from \$0.05 to \$0.83 per Common Share and expiry dates ranging from August 31, 2026 to September 18, 2035.

Restricted Share Units

As of the date of this Circular, there are 210,000 RSUs outstanding, which are redeemable for an aggregate of 210,000 Common Shares.

FLUENT Debenture

On April 29, 2022, FLUENT completed a non-brokered private placement offering, pursuant to which FLUENT issued to SPC the FLUENT Convertible Debenture and 3,076,923 pre-funded Warrants (each, a “**Pre-Funded Warrant**”) at a price of \$0.39 per Pre-Funded Warrant, for aggregate gross proceeds of \$4,700,000. The FLUENT Convertible Debenture matures on April 29, 2032 and bears interest at a rate of 10% per annum, accruing daily and payable monthly or on a change of control of FLUENT. Each Pre-Funded Warrant entitled the holder to purchase one Common Share at an additional exercise price of \$0.40 per Common Share (for a total Common Share issue price equal to \$0.79) for a period of 12 months from the date of issuance. None of the Pre-Funded Warrants were exercised within the applicable exercise period.

Pursuant to the terms of the FLUENT Convertible Debenture, SPC may, at its option, at any time and from time to time until the close of business on the business day immediately preceding the maturity date, convert all or any portion of the outstanding principal amount into Common Shares at a conversion price of \$0.79 per share, subject to adjustment. Any accrued and unpaid interest shall be paid in cash by FLUENT and FLUENT may prepay the FLUENT Convertible Debenture, in whole or in part, at any time.

As of the date of this Circular, the principal amount outstanding under the FLUENT Convertible Debenture is \$2,474,802.

Smith Convertible Note

On November 26 2024, in connection with the entering into of the Amended Smith Transaction Termination Agreement, FLUENT issued the Smith Convertible Note to and in favour of the Smith Note Holder. As of the date of this Circular, the principal amount outstanding under the Smith Convertible Note is \$6,500,000 and assuming full conversion, including the full amount of the anticipated accrued interest over the life of the Smith Convertible Note, the Smith Note Holder will be entitled to receive 60,026,535 Common Shares. See “*General Development of the Business – Recent Developments – Fiscal Year Ended December 31, 2024 – Amended Smith Transaction Termination Agreement*” for more information.

Upon completion of the Arrangement, Vireo will repay all of the outstanding indebtedness owing under the Smith Convertible Note in accordance with its terms. See the section titled “*Transaction Agreements – The Support Agreements*” in the Circular.

DIVIDENDS AND DISTRIBUTIONS

The declaration, timing, amount and payment of dividends are at the discretion of the Board and will depend upon, among other things, FLUENT’s financial results, investment opportunities, cash requirements, contractual obligations and other factors the Board may consider relevant. There can be no assurance that

FLUENT will declare a dividend on a quarterly, annual or other basis, or at all. FLUENT has no plans to pay any dividends, now or in the near future.

PRIOR SALES

During the 12-month period prior to the date of this Circular, the following FLUENT Shares or securities convertible into FLUENT Shares have been issued:

Security Issued	Number of Securities	Issue/Exercise Price per Security	Issue Date
Options ⁽¹⁾	16,000,000	\$0.05	July 7, 2025
Options ⁽²⁾	7,225,000	\$0.05	September 18, 2025
Common Shares ⁽³⁾	3,958,976	N/A	July 16, 2025
Common Shares ⁽⁴⁾	153,069,395	N/A	July 18, 2025
Common Shares ⁽⁵⁾	2,750,000	\$0.05	July 24, 2025
Common Shares ⁽⁶⁾	3,500,000	\$0.06	September 5, 2025
Common Shares ⁽⁷⁾	80,000	N/A	September 15, 2025
Common Shares ⁽⁸⁾	421,147	N/A	December 31, 2025

Notes:

(1) 16,000,000 Options were issued to directors and executives of FLUENT on July 7, 2025, pursuant to the FLUENT Option Plan. Options were issued at the trading price of the Common Shares on the CSE on the date of issuance, being \$0.05 per share. Options vest in four equal installments on each of the first four anniversary dates of the grant, and expire on July 7, 2035. As of the date of this Circular, 9,750,000 Options remain outstanding from this issuance.

(2) 7,225,000 Options were issued to employees of FLUENT on September 18, 2025, pursuant to the FLUENT Option Plan. Options were issued at the trading price of the Common Shares on the CSE on the date of issuance, being \$0.05 per Common Share. Options vest in three equal installments on each of the first three anniversary dates of the grant, and expire on September 18, 2035. As of the date of this Circular, 4,625,000 Options remain outstanding from this issuance.

(3) 3,958,976 Common Shares were issued on July 16, 2025 as a result of vested employee RSUs converted to Common Shares. No consideration was received by FLUENT upon conversion of employee RSUs. The trading price of the Common Shares on the CSE on the date of issuance was \$0.06 per share.

(4) 153,069,395 Common Shares were issued on July 18, 2025 upon receipt of notice from The Hawthorne Collective to convert their Non-Voting Shares into Common Shares. No consideration was received by FLUENT upon conversion of the exchangeable shares. The trading price of the Common Shares on the CSE on the date of issuance was \$0.06 per share.

(5) 2,750,000 Common Shares were issued on July 24, 2025 as settlement for aggregate fiscal Q2 2025 director fees of \$137,500. Common Shares were issued at the trading price of the Common Shares on the CSE on the date of issuance, being \$0.05 per share.

(6) 3,500,000 Common Shares were issued on September 5, 2025 pursuant to a private placement agreement between the FLUENT and David Vautin, Interim Chief Executive Officer. FLUENT received proceeds of \$210,000 for the share issuance. Common Shares were issued at the trading price of the Common Shares on the CSE on the date of issuance, being \$0.06 per share.

(7) 80,000 Common Shares were issued on September 15, 2025 as a result of vested employee RSUs converted to Common Shares. No consideration was received by FLUENT upon conversion of employee RSUs. The trading price of the Common Shares on the CSE on the date of issuance was \$0.05 per share.

(8) 421,147 Common Shares were issued on December 31, 2025 as a result of vested employee RSUs converted to Common Shares. No consideration was received by FLUENT upon conversion of employee RSUs. The trading price of the Common Shares on the CSE on the date of issuance was \$0.05 per share.

CONSOLIDATED CAPITALIZATION

There have been no material changes in FLUENT's share and loan capital since March 31, 2026. The following table sets forth the consolidated capitalization of FLUENT as of the date of this Circular:

Designation of Security	Number Authorized or to be Authorized	Number Outstanding
Common Shares	Unlimited	613,261,139
Proportionate Voting Shares	Unlimited	2,450,188
Non-Voting Shares	Unlimited	Nil
Convertible notes and debt securities	N/A	41,794,767
Options	Together with the Options and RSUs, 10% of issued and outstanding Common Shares	15,958,150
RSUs	Together with the Options and RSUs, 10% of issued and outstanding Common Shares	210,000

TRADING PRICE AND VOLUME

The Common Shares are listed on the CSE under the symbol "FNT.U". The following table sets forth the reported high and low trading price and trading volumes of the Common Shares on the CSE from June 1, 2026 to June 12, 2026.

Calendar Period	Low (\$)	High (\$)	Volume
June 2025	0.04	0.05	633,818
July 2025	0.04	0.075	451,384
August 2025	0.06	0.095	2,454,333
September 2025	0.045	0.06	2,130,770
October 2025	0.05	0.075	1,505,197
November 2025	0.045	0.06	616,935
December 2025	0.035	0.08	5,163,508
January 2026	0.04	0.05	1,741,349
February 2026	0.025	0.035	2,715,843
March 2026	0.025	0.04	752,597
April 2026	0.03	0.04	1,520,621
May 2026	0.02	0.025	2,890,728

June 1 to June 12, 2026	0.025	0.030	842,706

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

To the knowledge of FLUENT, there are no securities of FLUENT currently held in escrow or that are subject to contractual restrictions on transfer.

PRINCIPAL SHAREHOLDERS

As at the Record Date, to the knowledge of the directors and executive officers of FLUENT and based on existing information as of such date, no person or company will beneficially own, directly or indirectly, or exercise control or direction over, voting rights of FLUENT carrying 10% or more of the voting rights attached to any class of voting securities of FLUENT, other than as set out below:

Name of Shareholder, Jurisdiction of Residence	Number of Voting Securities of FLUENT ⁽¹⁾⁽²⁾	Class of Outstanding Voting Securities of FLUENT	Percentage of the Class of Outstanding Voting Securities of FLUENT ⁽¹⁾⁽²⁾	Percentage of all Outstanding Voting Securities of FLUENT
William Smith (Gulf Breeze, Florida)	1,421,538 ⁽³⁾	Proportionate Voting Shares	58.0%	12.3%
	64,189,527 ⁽³⁾	Common Shares	10.5%	
The Hawthorne Collective, Inc.	153,069,395	Common Shares	25.0%	24.0%

Notes:

1. The information as to the number and percentage of voting securities beneficially owned, controlled or directed, directly or indirectly, has been obtained from publicly available filings.
2. Information provided as of the Record Date, on an issued and undiluted basis of 613,261,139 Common Shares, not giving effect to the exercise of securities convertible, redeemable or exchangeable into Common Shares held by such person, as applicable.
3. As of the Record Date, 3,333,159 Common Shares are owned by William Smith; 19,012,622 Common Shares are owned by Sage Investing LLC; 20,288,263 Common Shares and 1,421,538 Proportionate Voting Shares are owned by Endeavour Holdings, LLC; and 21,555,483 Common Shares are owned by Can Endeavour LLC, all of which are companies owned and/or controlled by William Smith.

DIRECTORS AND EXECUTIVE OFFICERS

The following are the names, province/state and country of residence of each current director and officer of FLUENT, the positions and offices held with FLUENT, their respective principal occupations within the

five preceding years and the number and percentage of the Common Shares held by each of them as at the date of this Circular. As at the date hereof, the directors and executive officers of FLUENT, as a group, hold an aggregate of 76,781,252 Common Shares (being 12.5% of the issued and outstanding Common Shares on a non-diluted basis) and 1,421,538 Proportionate Voting Shares (being 58.0% of the issued and outstanding Proportionate Voting Shares on a non-diluted basis).

Name, State or Province, and County of Residence	Position Held with FLUENT	Length of Directorship, Expiry of Position	Principal Occupation for the last five years
David Vautrin <i>New York, New York</i>	Interim Chief Executive Officer	N/A	Mr. Vautrin has served as the Interim Chief Executive Officer from August 8, 2025. Previously, he served as Chief Retail Officer of FLUENT from December 2024 – August 8, 2025. From June 2024 to December 2024, Mr. Vautrin served as the Chief Retail Officer of RIV Capital, and from October 2024 to December 2024 as its Interim CEO. From November–2022 to June 2024 - Operating Partner/Investor – The Travel Agency: A Cannabis Store.
Patricia Fonseca <i>Tampa, Florida</i>	Chief Financial Officer and Corporate Secretary	N/A	Ms. Fonseca has served as the Chief Financial Officer and Corporate Secretary of FLUENT since May 13, 2024. Prior thereto, Ms. Fonseca was the General Manager of Green One Consulting and the Chief Financial Officer of FLUENT from March 9, 2021 to November 21, 2022.
Victor Bindi <i>Pensacola, Florida</i>	Chief Operating Officer	N/A	Mr. Bindi has served as Chief Operating Officer of FLUENT since November 25, 2025. Prior thereto, Mr. Bindi held the position of Chief Revenue Officer.
William Smith ⁽¹⁾ <i>Gulf Breeze, Florida</i>	Executive Chairman and Director	June 30, 2021 to Present Expiry: next annual general meeting	Mr. Smith has served as the Executive Chairman of FLUENT since June 30, 2021 and President, managing member and an owner of B&C Communications, LLC, a New York limited liability company.
Matthew Mundy <i>Oakville, Ontario</i>	Chief Legal Officer	N/A	Mr. Mundy has served as Chief Legal Officer of FLUENT since December 2024. From May 2020 to December 2024, Mr. Mundy served as the Chief Strategy Officer, General Counsel and Corporate Secretary of RIV Capital. From September 2018 to May 2020 – General Counsel and Corporate Secretary of RIV Capital.

Roger Daher ⁽²⁾ <i>Markham, Ontario</i>	Director	April 7, 2020 to Present Expiry: next annual general meeting	Mr. Daher has been a licensed pharmacist for 36+ years and is currently owner/partner of four Ontario Pharmasave pharmacies. 2010-2020 – served as a member of the Pharmasave Ontario Board of Directors.
Mark Eckenrode ⁽²⁾ <i>Locust Grove, Virginia</i>	Director	June 30, 2021 to Present Expiry: next annual general meeting	Mr. Eckenrode is presently retired. Mr. Eckenrode previously served as an Advisory Engineer for Framatome, Inc. from 2007 to 2020.
Richard Mavrinac ⁽²⁾ <i>Toronto, Ontario</i>	Director	December 19, 2024 to Present Expiry: next annual general meeting	Member of the Board of Directors of Roots Corporation (TSX: ROOT) from 2018 to 2025. Director of RIV Capital from September 2018 to December 2024.
Dawn Sweeney ⁽¹⁾ <i>Longboat Key, Florida</i>	Director	December 19, 2024 to Present Expiry: next annual general meeting	May 2020 to present – Executive-In-Residence, Georgetown University's McDonough School of Business. Currently board chair and chair of the Compensation Committee of SITE Centers (NYSE: SITC). October 2022 to present – board chair of MedStar National Rehabilitation Hospital. Director of RIV Capital from September 2022 to December 2024. August 2022 to December 2025 – Executive Managing Director of the Association and Non-Profit Practice, Jones Lang LaSalle (JLL). October 2007 to December 2019 – President

Seth Sholes <i>Westport, Connecticut</i>	Director	November 14, 2025 to Present	Presently retired. Former President of Advanced Grow Labs LLC.

Notes:

- (1) Member of the Governance and Compensation Committee. Ms. Sweeney is Chair of the Governance and Compensation Committee.
- (2) Member of the Audit Committee. Mr. Eckenrode is Chair of the Audit Committee.

Conflicts of Interest

To the knowledge of FLUENT, other than as disclosed in this Circular, there are no existing or potential material conflicts of interest between FLUENT or a Subsidiary of FLUENT and any director or officer of FLUENT or of a subsidiary of FLUENT. Certain of FLUENT's directors and officers also serve as directors or officers of other companies, and therefore it is possible in the future that a conflict may arise between their duties to FLUENT and their duties as a director or officer of such other companies.

The directors and officers of FLUENT are aware of the existence of laws governing accountability of directors and officers for corporate opportunity and requiring disclosure by directors of conflicts of interest and FLUENT will rely upon such laws in respect of any directors' and officers' conflict of interest or in respect of any breaches of duty by any of its directors or officers. All such conflicts will be disclosed by such directors or officers in accordance with applicable law and they will govern themselves in respect thereof to the best of their ability in accordance with the obligation imposed upon them by law.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular, no executive officer, director, employee or former executive officer, director or employee of FLUENT is indebted to FLUENT. No person who is or who was at any time during the most recently completed financial year a director or executive officer of FLUENT, any proposed nominee for election as a director of FLUENT, or any associate of any such director, executive officer, or proposed nominee is or was at any time since the beginning of the most recently completed financial year indebted to FLUENT. FLUENT has not provided or entered into a guarantee, support agreement, letter of credit or other similar arrangement for any indebtedness of any of these individuals to any other entity.

STATEMENT OF EXECUTIVE COMPENSATION

Attached as Appendix F-1 to Schedule F this Circular is a copy of the Statement of Executive Compensation prepared by FLUENT in accordance with Form 51-102F6V – *Statement of Executive Compensation*.

AUDIT COMMITTEE

NI 52-110 mandates that certain disclosure regarding the Audit Committee of a “venture issuer” (as that term is defined in NI 52-110) which disclosure is set out below, in accordance with Form 52-110F2 – *Disclosure by Venture Issuers*.

Overview

The Audit Committee is responsible for monitoring FLUENT's systems and procedures for financial reporting and internal controls, reviewing certain public disclosure documents, including FLUENT's annual audited financial statements and unaudited quarterly financial statements, and monitoring the performance and independence of FLUENT's external auditors. The Audit Committee is also responsible for reviewing with management FLUENT's risk management policies, the timeliness and accuracy of FLUENT's regulatory filings and all related party transactions as well as the development of policies and procedures related to such transactions.

Audit Committee Charter

A copy of the Audit Committee Charter is attached to this Circular as Schedule J.

Composition of the Audit Committee

The Audit Committee is currently comprised of three independent directors; namely Mark Eckenrode (Chair), Roger Daher and Richard Mavrinac. Each member of the Audit Committee is also a director on the Board, and is “independent”, as such term is defined within the meaning of NI 52-110. Each member of the Audit Committee is “financially literate” within the meaning of NI 52-110 and possesses extensive financial knowledge, experience and comprehension of financial statements. All of the Audit Committee members have experience in financial matters; each has an understanding of accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields.

Relevant Education and Experience

The following is a brief summary of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member:

Mark Eckenrode (Chair)

Mr. Eckenrode is a retired nuclear engineer, having spent over 40 years in the nuclear energy space. Between 2007 and 2020, Mr. Eckenrode served as Advisory Engineer at Framatome Inc., a French nuclear reactor business with offices in Lynchburg, VA. Prior to that, Mr. Eckenrode spent 12 years at Entergy, a U.S. energy company. Mr. Eckenrode holds a Master of Science in Nuclear Engineering and Bachelor of Sciences in Physics from Virginia Polytechnic Institute and State University and an MBA in Finance from Millaps College.

Roger Daher

Mr. Daher has been a licensed pharmacist for 34+ years and he is currently a practicing owner/partner in six Ontario Pharmasave pharmacies. From 2010 to 2020, Mr. Daher, served as a member of the Pharmasave Ontario Board of Directors, as well as a member of the audit committee (audit committee chair). Mr. Daher has also served and continues to serve on several public company boards including CPC's. Mr. Daher obtained his Bachelor of Science, Pharmacy, from the University of Toronto in 1989.

Richard Mavrinac

Mr. Mavrinac served as the Chief Financial Officer of George Weston Limited and the Executive Vice-President of Loblaw Companies Limited, two of Canada's largest companies operating in the retail grocery and bakery sectors from 2003 to 2007. As Chief Financial Officer of George Weston Limited, Mr. Mavrinac's experience encompassed all aspects of finance, including overall responsibility for financial reporting, treasury, risk management, pension and benefits, investor relations, taxation and acquisitions and divestitures. Mr. Mavrinac began his career with Loblaw Companies Limited in 1982 as Director of Taxation, subsequently holding a variety of financial positions within FLUENT. In 1996, Mr. Mavrinac assumed the role of Senior Vice-President, Finance for George Weston Limited and Loblaw Companies Limited. Mr. Mavrinac was formerly a member of the board of directors of Roots Corporation and formerly a member of the board of directors of TerrAscend and Gage Growth Corp., and brings specific experience in the retail and cannabis sectors to the Board. Mr. Mavrinac was a director of RIV Capital and the Chair of RIV Capital's audit committee. Mr. Mavrinac received his Bachelor of Commerce degree from the University of Toronto in 1975 and began his career with Peat Marwick Mitchell Chartered Accountants after receiving his Chartered Accountant designation in 1978.

Audit Committee Oversight

At no time since the commencement of FLUENT's most recently completed financial year, has any recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by FLUENT on behalf of the Board.

Pre-Approvals Policies and Procedures

Subject to the requirements of NI 52-110, the charter of the Audit Committee allows for the engagement of certain non-audit services by FLUENT's external auditor and sets out that such non-audit services must be pre-approved by the Audit Committee.

Reliance on Certain Exemptions

Since the commencement of FLUENT's most recently completed financial year, FLUENT has not relied on the exemptions contained in Section 2.4 (De Minimis Non-Audit Services), Subsection 6.1.1(4) (Circumstances Affecting the Business or Operations of the Venture Issuer), Subsection 6.1.1(5) (Events Outside Control of Members), Subsection 6.1.1(6) (Death, Incapacity or Resignations) or an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

External Auditor Service Fees (By Category)

PKF O'Connor Davies, LLP is the present independent external auditors of FLUENT. Effective September 23, 2024, Baker Tilly US, LLP, who was first appointed as the independent external auditor of FLUENT on October 15, 2021, resigned as auditor of FLUENT, and was replaced by PKF O'Connor Davies, LLP at that time.

The aggregate fees billed by FLUENT's external auditors for the fiscal years ended December 31, 2025, and December 31, 2024, are set out in the table below:

Financial Year Ending	Audit Fees⁽¹⁾	Audit Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
December 31, 2025	\$671,473	\$Nil	\$Nil	\$Nil
December 31, 2024	\$717,500	\$Nil	\$Nil	\$Nil

Notes:

- (1) **"Audit fees"** include fees for services rendered by the external auditors in relation to the audit and review of FLUENT's financial statements and in connection with FLUENT's statutory and regulatory filings.
- (2) **"Audited related fees"** include the aggregate audit related fees billed for assurance and related services that are reasonably related to the performance of the audit or review of FLUENT's financial statements and are not reported as "Audit fees". Examples of services in this category include due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) **"Tax fees"** include the aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning. Examples of services in this category include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to investments in portfolio companies, preparation of tax returns and preparation or review of tax provisions.
- (4) **"All other fees"** include the aggregate fees billed for products and services, other than "Audit fees", "Audit related fees" and "Tax fees" above.

CORPORATE GOVERNANCE

The following is a discussion of each of FLUENT's corporate governance practices for which disclosure is required by NI 58-101. Unless otherwise indicated, the Board believes that its corporate governance practices are consistent with those recommended by National Policy 58-201 – *Corporate Governance Guidelines*. A copy of the Board Mandate is attached to this Circular as Schedule K.

CORPORATE GOVERNANCE GUIDELINE		CORPORATION'S PRACTICE
1. Board of Directors		
(a)	Disclose the identity of directors who are independent.	Five of FLUENT's current directors and proposed Nominees are independent, namely Roger Daher, Mark Eckenrode, Dawn Sweeney, Richard Mavrinac, and Seth Sholes.
(b)	Disclose the identity of directors who are not independent, and describe the basis for that determination.	One of FLUENT's current six directors is not independent. William Smith is not considered independent as he is considered to have a material relationship with FLUENT by virtue of having been a consultant to FLUENT and also beneficially owning, directly or indirectly, or exercising control over more than 20% of the voting rights of FLUENT's Shares.
2. Orientation and Continuing Education		
	Describe what steps, if any, the Board takes to orient new Board members, and describe any measures the Board takes to provide continuing education for directors.	New directors participate in a formal orientation program regarding the role of the Board, the Audit Committee, and its directors, and the nature and operations of FLUENT's business. Members of the Board are encouraged to communicate with management of FLUENT, external legal counsel and auditors, and other external consultants to educate themselves about FLUENT's business, the industry, and applicable legal and regulatory developments. Because of FLUENT's early stage of development, it does not currently provide continuing education to Board members and instead provides regular updates and information concerning FLUENT's business and strategy.

3. Ethical Business Conduct	
Describe what steps, if any, the Board takes to encourage and promote a culture of ethical business conduct.	FLUENT adopted a written code of business conduct and ethics (" Business and Ethics Code ") for FLUENT's directors, officers and employees. The Board will monitor compliance with the Business and Ethics Code by receiving reports from management as to any actual or alleged violations, as appropriate. In accordance with the provisions of the Business and Ethics Code and applicable corporate law, any director or executive officer who holds a material interest in a proposed transaction or agreement involving FLUENT will be required to disclose that interest to the Board and abstain from voting on approval of such transactions as appropriate.
4. Nomination of Directors	
Disclose what steps, if any, are taken to identify new candidates for Board nomination, including:	
(a) who identifies new candidates; and (b) the process of identifying new candidates.	The Governance and Compensation Committee, in consultation with the Board and the Chief Executive Officer, identify individuals qualified to become new Board members and recommend to the Board the new director nominees.
5. Compensation	
Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including:	
(a) who determines the compensation; and (b) the process of determining compensation.	The Board as a whole, with assistance from and the recommendation of the Governance and Compensation Committee, determines matters related to Director compensation and CEO compensation. If the CEO is also a Director, then when the compensation for the CEO is determined, the CEO abstains from voting.
CORPORATE GOVERNANCE GUIDELINE	CORPORATION'S PRACTICE
6. Other Board Committees	
If the Board has standing committees other than the audit, compensation and nominating committees, describe their function.	The Board has established a Governance and Compensation Committee to develop and oversee effective governance and compensation guidelines. The members of such committee are: Dawn Sweeney (chair) and William Smith. The Board has also established a strategic planning committee (the " Strategic Planning Committee ") to, among other things, (a) provide advice and direction to management regarding FLUENT's plans, goals, and growth strategies, review with management and the Board the role of mergers and acquisitions within FLUENT's overall growth strategy, review material capital investments, mergers, acquisitions, partnerships, dispositions, financings, or other potential significant transactions proposed to or to be proposed by FLUENT (" Strategic Transactions "), and recommend to the

	Board whether to approve, modify or counter, or reject such Strategic Transactions. The members of such committee are: William Smith (Chair) and Richard Mavrinnac.
7. Assessments	
Disclose what steps, if any, that the Board takes to satisfy itself that the Board, its committees and its individual directors are performing effectively.	The Governance and Compensation Committee is mandated to implement a process for assessing the effectiveness of the Board and the individual directors. Further to this, the current process in this respect is for the entire Board monitors its effectiveness and the performance of individual directors with input from the Governance and Compensation Committee. FLUENT believes that its corporate governance practices are appropriate and effective given FLUENT's developmental stage and its presently small size.

Other Directorships

The following table sets out the directors of FLUENT who are currently directors of other reporting issuers:

Name of Director	Name of Other Reporting Issuer
Roger Daher	Fountain Asset Corp. (TSXV: FA)
Dawn Sweeney	SITE Centers Corp. (NYSE: SITC)

RISK FACTORS

An investment in the securities of FLUENT is speculative, involving a high degree of risk. In addition to the other information contained in this Circular and risks outlined in FLUENT's other public filings, the risk factors described below should be considered carefully. The events arising from these risks could materially adversely affect FLUENT's business, financial condition, results of operations or prospects and could cause actual events to differ materially from those described in forward-looking statements relating to FLUENT. The following information pertains to the outlook and conditions currently known to FLUENT that could have a material impact on the financial condition of FLUENT. These are not the only risks and uncertainties that FLUENT faces. Additional risks not currently known to FLUENT, or which are deemed to be immaterial, may also impair the business operations, financial condition, or prospects of FLUENT.

Marijuana is illegal under U.S. Federal Law and enforcement of relevant laws is a significant risk. Readers are strongly encouraged to carefully read all risk factors contained in this section.

Risks Related to Legality of Cannabis

Cannabis is a Controlled Substance under the CSA

FLUENT is engaged directly and indirectly in the medical and adult use cannabis industry in the U.S. Adult use cannabis is only authorized under state laws, whereas medical cannabis remains on Schedule I of the CSA except when sold in compliance with the Medical Rescheduling Order. Investors are cautioned that in the U.S., cannabis is largely regulated at the state level. To FLUENT's knowledge, some form of cannabis has been legalized in 48 states and Washington, D.C., Puerto Rico, the U.S. Virgin Islands, Guam and the Northern Mariana Islands as of December 2024. Additional states have pending legislation regarding the

same. Notwithstanding the permissive regulatory environment of cannabis at the state level, cannabis continues to be categorized as a controlled substance under the CSA and as such, cultivation, distribution, sale and possession of cannabis violates federal law in the U.S., subject to certain exceptions in relation to medical cannabis. As a result of the conflicting views between state legislatures and the federal government regarding cannabis, investments in cannabis businesses in the U.S. are subject to inconsistent legislation and regulation. Refer to the discussion above under the heading “*U.S. Regulatory Environment*”.

On May 16, 2024, the DEA issued a Notice of Proposed Rulemaking to reschedule cannabis (or “marihuana,” as it is called in the CSA) from Schedule I to Schedule III of the U.S. CSA. On April 23, 2026, DOJ and DEA issued the Medical Rescheduling Order, rescheduling FDA-approved products containing cannabis and cannabis regulated under state medical cannabis licenses and registered with DEA to Schedule III. This was a momentous change but its full implications are currently unknown. Under the CSA, Schedule III drugs carry a moderate to low potential for physical and psychological dependence, and thus, the rescheduling of medical cannabis from Schedule I to Schedule III loosens DEA restrictions. Nonetheless, the DEA has made clear that the “regulatory controls applicable to Schedule III controlled substances would apply,” which include controls related to the manufacture, distribution, dispensing, and possession of cannabis. Rescheduling would neither legalize nor likely eliminate current state cannabis programs. If placed under Schedule III, cannabis will remain a controlled substance and state-legal programs will continue to operate outside of federally legal channels to the extent cannabis operators do not receive a DEA registration. DEA will be holding an expedited administrative hearing on the rescheduling of adult use cannabis starting on June 29, 2026. However, there is no guarantee DEA will ultimately reschedule adult use cannabis. The rescheduling of cannabis to Schedule III would remove the tax penalties imposed by Section 280E of the U.S. Tax Code, and cannabis-related businesses (whether involved in medical or adult-use cannabis) would be able to take advantage of all applicable deductions and credits on their business taxes that other businesses enjoy. However, some fear that the DEA or the FDA may impose additional requirements or begin to target enforcement on state cannabis programs that do not apply for, and receive, registration under the Medical Rescheduling Order. Violations of any federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil Proceedings conducted by either the 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 on FLUENT, including its reputation and ability to conduct business, its holding (directly or indirectly) of medical and adult use cannabis licenses in the U.S., the listing of its securities on the CSE, its financial position, results of operation, profitability or liquidity or the market price of its publicly traded shares, in each case even if such proceedings were concluded successfully in favor of FLUENT. In addition, it is difficult for FLUENT 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. Because the cannabis industry remains illegal under U.S. federal law, any property owned by participants in the cannabis industry, which are either used in the course of conducting such business or were purchased using the proceeds of such business, could be subject to seizure by law enforcement and subsequent civil asset forfeiture. Even if the owner of the property were never charged with a crime, the property in question could still be seized and subject to an administrative proceeding by which, with minimal due process, it could be subject to forfeiture.

There can be no assurances that the federal government of the U.S. will not seek to enforce the applicable laws against participants in the cannabis industry. Without further guidance, federal prosecutors may use their prosecutorial discretion to decide whether to prosecute cannabis activities despite the existence of state-level laws permitting such activity, subject to the rider that is known as the Rohrabacher-Farr Amendment, which prohibits federal prosecutors from expending federal funds against medical cannabis activities that are in compliance with state law. This amendment has historically been passed as an amendment to omnibus appropriations bills, which by their nature expire at the end of a fiscal year or other defined term. The Rohrabacher-Farr Amendment was included in the Consolidated Appropriations Act, 2026, signed into law on February 3, 2026, and is effective through September 30, 2026.. As of the date of this Circular, the Rohrabacher-Farr Amendment is included in the House version of the 2027 budget bill, which would extend it through September 30, 2027. However, it may or may not be included in the omnibus

appropriations package or a continuing budget resolution, and its inclusion or non-inclusion, as applicable, is subject to political changes. While numerous U.S. Attorneys across the country have affirmed that their view of federal enforcement priorities has not changed, there can be no assurance that the federal government will not seek to prosecute cases involving cannabis businesses that are otherwise compliant with state law, including in the event the Rohrabacher-Farr Amendment is not renewed upon expiration in subsequent spending bills.

Market for Cannabis Could Decline due to Regulatory Changes

There can be no assurance that the number of states that allow the use of medicinal or adult use cannabis will increase. Furthermore, there can be no assurance that the existing states, districts and territories that permit the sale and use of medicinal or adult use cannabis will not reverse their position. If either of these things happens at any future time, then growth of FLUENT's business may be materially impacted. FLUENT may not be able to achieve targeted revenue levels and may experience declining revenue as the potential market for its products and services diminishes.

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, FLUENT's financial results, business or operations would be materially and adversely affected. Federal actions against any individual or entity engaged in the cannabis industry or a substantial repeal of cannabis related legislation could adversely affect FLUENT, its business and its assets or investments.

Investors should understand that any new administration or attorney general could change this policy and decide to enforce the federal laws more strongly. A change in the federal approach towards enforcement could negatively affect the industry, potentially ending it entirely. Any such change in the federal government's enforcement of current federal laws could cause significant financial damage to FLUENT.

Anti-Money Laundering Laws and Regulations

FLUENT is subject to a variety of laws and regulations internationally and domestically in the U.S. that involve money laundering, financial recordkeeping and proceeds of crime, including the Bank Secrecy Act, as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), Sections 1956 and 1957 of U.S.C. Title 18 (the Money Laundering Control Act), the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended and the rules and regulations thereunder, the Criminal Code (Canada) and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the U.S. and Canada.

In the event that any of FLUENT's operations, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such operations in the U.S. were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation, which would subject FLUENT to criminal liability and significant penalties and fines. Proceeds from FLUENT's business activities could also be subject to seizure or forfeiture. Any violations of these laws, or allegations of such violations could disrupt FLUENT's operations and involve significant management distraction and expenses. As a result, money laundering charges could materially affect FLUENT's business, financial condition or results of operations, including restricting or otherwise jeopardizing the ability of FLUENT to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada. Furthermore, while there are no current intentions to declare or pay dividends on the Common Shares in the foreseeable future, in the event that a determination was made that FLUENT's proceeds from operations (or any future operations or investments in the U.S.) could reasonably be shown to constitute proceeds of crime, FLUENT may decide or be required to suspend declaring or paying dividends without advance notice and for an indefinite period of time.

Lack of Access to U.S. Bankruptcy Protections

Because it is illegal to manufacture, distribute or dispense cannabis under U.S. Federal Law (subject to certain exceptions in relation to medical cannabis), many courts have denied cannabis businesses bankruptcy protections, thus making it very difficult for lenders to recoup their investments in the cannabis industry in the event of a bankruptcy. If FLUENT were to experience a bankruptcy, there is no guarantee that U.S. federal bankruptcy protections would be available to FLUENT's U.S. operations, which would have a Material Adverse Effect on FLUENT, its lenders and other stakeholders.

Re-classification of Cannabis in and Removal of Industrial Hemp from the Controlled Substances Act in the United States

On December 20, 2018, the 2018 Farm Bill was signed into law. The 2018 Farm Bill, among other things, removed industrial hemp and its cannabinoids, including CBD derived from industrial hemp, from the CSA and amended the Agricultural Marketing Act of 1946 to allow for industrial hemp production and sale in the U.S. Under the 2018 Farm Bill, industrial hemp is defined as "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 delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis." The U.S. Department of Agriculture promulgated regulations for the industrial hemp industry, codified primarily in 7 C.F.R. Part 990. The 2018 Farm Bill did not legalize CBD derived from "marihuana" (as such term is defined in the CSA), which has remained a Schedule I controlled substance under the CSA (subject to certain exceptions relating to medical cannabis).

Hemp products, including psychoactive hemp-derived products, are subject to state and federal regulation in respect to the production, distribution, and sale of products intended for human ingestion or topical application. Hemp is categorized as *Cannabis sativa* L., a subspecies of the cannabis genus. Numerous unique, chemical compounds are extractable from hemp, including CBD, THC and its various isomers (ex. delta-8 THC, delta-9 THC, delta-10 THC, etc.), and other cannabinoids such as THC-A and THC-O (collectively, "**THC Variants**"). Hemp, as defined in the 2018 Farm Bill, is distinguishable from cannabis, which also comes from the *Cannabis sativa*, L. subspecies, by its absence of more than trace amounts (0.3% or less) of the psychoactive compound delta-9 THC.

Since the passage of the 2018 Farm Bill, U.S. federal law dictates that CBD and THC Variants derived from hemp are not controlled substances; however, products derived from hemp may still be considered a controlled substance under applicable state law. Individual states take varying approaches to regulating the production and sale of hemp and hemp-derived CBD and THC Variants. Some states explicitly authorize and regulate the production and sale of hemp-derived CBD and THC Variants or otherwise provide legal protection for authorized individuals to engage in commercial hemp activities. Other states have set limits on the amount of hemp-derived THC, THC Variants and/or CBD that may be present in finished hemp-derived consumer products. And some states maintain laws that do not distinguish between cannabis and hemp and/or hemp-derived CBD or THC Variants which results in hemp being classified as a controlled substance under certain state laws.

In addition, the 2018 Farm Bill preserves the authority and jurisdiction of the FDA under the Federal Food, Drug and Cosmetic Act (FFDCA) 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 THC Variants. The FDA has not evaluated or approved CBD or THC Variants and therefore does not consider them to be generally recognized as safe for use in foods. The FDA has also found that because CBD and THC are in certain drugs approved by FDA, they cannot be used in foods or dietary supplements. Accordingly, per the FDA, foods and dietary supplements containing CBD and THC Variants do not comply with the FFDCA. FDA enforcement of its position has thus far been minimal and limited to sending warning letters to a relatively small number of companies.

On November 12, 2025, Congress enacted federal spending legislation (H.R. 5371) that materially amends the federal regulatory framework applicable to hemp and hemp-derived products in the United States effective November 12, 2026. H.R. 5371 states that hemp does not include any final hemp-derived products containing greater than 0.4 milligrams per container of THC Variants. The effect of the new law is that most

hemp-derived consumable products currently on the market will fall outside of the definition of hemp and will therefore revert to their pre-2018 Farm Bill status as Schedule I drugs under the CSA because most products contain greater than 0.4 milligrams of THC Variants per container. H.R. 5371 enacts certain other changes to the definition of hemp, such as narrowing the types of plants that meet the definition of hemp (from which a final hemp-derived product could originate) as well as removing work-in-progress hemp extract (an intermediate step in the process of manufacturing a hemp-derived product) from the definition of hemp.

Although the hemp industry is currently engaged in efforts to overturn the new law or materially revise it prior to November 12, 2026, if the law is not overturned or revised FLUENT's ability to market and sell its hemp-derived cannabinoid products will be greatly restricted. Transporting such products across state lines would likely not be possible. Such products may continue to be legal to sell under the laws of certain states. But such products would once again be classified as controlled substances under federal law and would be subject to federal enforcement authority.

Risks Associated with U.S. Cannabis Regulatory Requirements

Even where cannabis is permitted in the U.S. at the state level, regulations vary from state to state and FLUENT may not be able to comply with such regulations in a cost-efficient manner, if at all. For example, certain U.S. jurisdictions, such as Washington State, have de facto residency requirements that require investors in cannabis businesses to be a resident of such state or other similar requirements, particularly if the cannabis business in question is one that directly involves the production, sale and distribution of cannabis. Such requirements may prove to be onerous or otherwise impracticable for an issuer to comply with, which may have the result of excluding such investment opportunities from the list of possible transactions that FLUENT would otherwise consider.

The successful operation of FLUENT's business and execution of any future acquisition of a business operating in the U.S. cannabis industry is contingent, in part, upon compliance with regulatory requirements enacted by Governmental Authorities and ensuring FLUENT obtains all Regulatory Approvals, where necessary, for the sale of its products, including maintaining and renewing all applicable licenses, permits and authorizations. The commercial cannabis industry is still a relatively new industry, and FLUENT cannot predict the impact of the compliance regime to which it may be subject in connection with FLUENT's investments in and acquisitions of companies in the U.S. cannabis industry. Similarly, FLUENT cannot predict the time required to secure all appropriate Regulatory Approvals for any of the products, or the extent of testing and documentation that may be required by Governmental Authorities. Any delays in obtaining, or failure to obtain Regulatory Approvals may significantly delay or impact the development of markets, products and sales initiatives and could have a Material Adverse Effect on the business, financial condition and operating results of FLUENT. Without limiting the foregoing, failure to comply with the requirements of any underlying licenses or any failure to maintain any underlying licenses would have a material adverse impact on the business, financial condition and operating results of FLUENT. There can be no guarantees that any required licenses for the operation of the applicable business will be extended or renewed in a timely manner, if at all, or that if they are extended or renewed, that the licenses will be extended or renewed on the same or similar terms.

2018 Farm Bill Risks

On December 20, 2018, the 2018 Farm Bill was signed into law. The 2018 Farm Bill, among other things, removes hemp and its cannabinoids, including CBD derived from hemp, from the CSA and amends the Agricultural Marketing Act of 1946 to allow for hemp production and sale in the U.S. Under the 2018 Farm Bill, hemp is defined as "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 delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis." The USDA has promulgated regulations for the hemp industry, which, among other things, require the USDA to review and approve any state-promulgated regulations relating to hemp. On October 29, 2019, the USDA issued interim final regulations that impose certain testing and other requirements in order to assure that crops to be sold as hemp will meet the statutory limitations. On February 27, 2020, the USDA

announced that it would delay enforcement of certain requirements of the interim final regulations pertaining to analytical testing and disposal requirements until October 31, 2021, or publication of the final rule, whichever occurred first. On January 11, 2021, the USDA announced the final regulations, with an effective date of March 22, 2021. The final regulations generally track the interim final regulations, though with some modifications.

Further, under the 2018 Farm Bill, the FDA retained its authority to regulate products containing cannabis or cannabis-derived compounds, including CBD, under the FDCA and section 351 of the Public Health Services Act. The FDA is responsible for ensuring public health and safety through regulation of food, drugs, supplements, and cosmetics, among other products sold in interstate commerce, including the marketing of such products, through its enforcement authority pursuant to the FDCA. Because cannabis is federally illegal to produce and sell (subject to certain exceptions in relation to medical cannabis), the FDA has historically deferred enforcement related to cannabis to the DEA; however, the FDA has issued numerous enforcement letters under its FDCA authority with regard to hemp-derived products, especially CBD derived from hemp, sold outside of state-regulated cannabis businesses.

On May 31, 2019, the FDA held its first public meeting to discuss the regulation of cannabis-derived compounds, including CBD. The meeting included stakeholders across academia, agriculture, consumer, health professional, and manufacturer groups, and was intended to explore new pathways for hemp-derived CBD to be sold legally in the food and supplement markets, while protecting research into future pharmaceutical applications. The FDA has expressed an interest in fostering innovation regarding the development of products containing hemp-derived compounds such as CBD; however, the FDA has indicated that those actions will have to fit under the confines of current law and further legislation will likely be required. In November 2019, the FDA issued guidance and a description of its activities, in which the FDA stated that only hemp seed oil, hulled hemp seed, and hemp seed powder were GRAS as ingredients in food, and that CBD and THC were not GRAS. In the guidance, the FDA has taken the position that a food product or dietary supplement containing CBD would be “adulterated” and could not legally be marketed in the U.S. The FDA has continued to issue warning letters to manufacturers of food or dietary supplements that are labeled as including CBD. The FDA has approved one prescription drug containing CBD and has taken the position that no other product can be marketed as containing CBD without approval as a new drug.

There can be no assurance that the FDA will approve CBD as an additive to products under the FDCA. Additionally, the 2018 Farm Bill does not legalize “marihuana” (as such term is defined in the CSA), which remains a Schedule I controlled substance under the CSA (subject to certain exceptions relating to medical cannabis).

Financing Risks

Additional Financing Needs

FLUENT may require equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to FLUENT when needed or on terms which are acceptable. If FLUENT is required to access capital markets to carry out its development objectives, the state of capital markets and other financial systems could affect FLUENT’s access to, and cost of, capital. FLUENT’s inability to raise financing to fund on-going operations, capital expenditures or acquisitions could limit its growth and may have a Material Adverse Effect upon FLUENT’s business, results of operations, financial condition or prospects.

If additional funds are raised through further issuances of equity or convertible debt securities, existing Shareholders could suffer significant dilution, and any new equity securities issued could have rights, preferences and privileges superior to existing holders of Common Shares. Moreover, additional Common Shares may be issued by us upon the conversion of the Proportionate Voting Shares or Non-Voting Shares in accordance with their terms. To the extent holders of other convertible securities convert or exercise their

securities and sell Common Shares they receive, the trading price of the Common Shares may decrease due to increase dilution and subsequent trading.

Debt financing may involve restrictions on FLUENT's financing and operating activities, including its ability to acquire or dispose of assets or businesses, incur additional indebtedness, make capital expenditures, and make cash distributions. Debt financing may be convertible into other securities of FLUENT or involve the issuance of equity fees, either of which may result in immediate or resulting dilution. Any default under such debt instruments could have a Material Adverse Effect on FLUENT, its business or the results of its operations.

The FLUENT Credit Agreement

The FLUENT Credit Agreement requires FLUENT to satisfy certain positive and negative covenants, including items such as restrictions on its ability to dispose of assets, make certain investments or incur additional debt as well as to maintain certain minimum cash thresholds. These covenants may prevent FLUENT from taking actions that it believes would be in the best interest of its business and may make it difficult for it to execute its business strategy successfully or effectively compete with businesses that are not subject to the same restrictions. FLUENT's ability to comply with these covenants may be affected by economic, financial and industry conditions beyond its control, including credit or capital market disruptions. The breach of any of these covenants could result in a default that would permit the lenders under the FLUENT Credit Agreement to declare all amounts outstanding to be due and payable, together with accrued and unpaid interest. There is no assurance that FLUENT will be able to secure additional financing to repay the loan should cash flows from operations be insufficient to repay the indebtedness, whether it is in default or not. If FLUENT is unable to repay the indebtedness, the lenders could proceed against the collateral securing the indebtedness. This could have serious consequences to FLUENT's financial position and results of operations and could cause it to become bankrupt or insolvent.

Ability to Access Private and Public Capital

FLUENT has historically relied on access to private and public capital in order to support its continuing operations and FLUENT expects to continue to rely almost exclusively on the capital markets to finance its business in the U.S. legal cannabis industry. Although such business carries a higher degree of risk, and is not legal pursuant to U.S. Federal Law, Canadian based issuers involved in the U.S. cannabis industry have been successful in completing public financings. However, there is no assurance FLUENT will be successful, in whole or in part, in raising funds in the future, particularly if the U.S. federal authorities change their position toward enforcing the CSA. Further, access to funding from U.S. residents may be limited due to their unwillingness to be associated with activities which violate U.S. Federal Laws.

Restricted Access to Banking

In February 2014, the FinCEN bureau of the U.S. Department of Treasury issued guidance (which is not law) with respect to financial institutions providing banking services to cannabis businesses, including burdensome due diligence expectations and reporting requirements. This guidance does not provide any safe harbors or legal defenses from examination or regulatory or criminal enforcement actions by the Department of Justice, FinCEN or other federal regulators. Thus, most banks and other financial institutions in the U.S. do not appear to be comfortable providing banking services to cannabis-related businesses, or relying on this guidance, which can be amended or revoked at any time by the federal administration. In addition to the foregoing, banks may refuse to process debit card or ACH payments or transfers and credit card companies generally refuse to process credit card payments for cannabis-related businesses. As a result, FLUENT may have limited or no access to banking or other financial services in the U.S. The inability or limitation in FLUENT's ability to open or maintain bank accounts, obtain other banking services and/or accept credit card and debit card payments may make it difficult for FLUENT to operate and conduct its business as planned or to operate efficiently. Additionally, cannabis businesses in the U.S. are largely cash-based. This complicates the implementation of financial controls and increases security issues. It remains to be seen whether the rescheduling of medical cannabis to Schedule III of the CSA (and the potential rescheduling of adult-use cannabis) will have a material effect on FLUENT's ability to access banking services.

Adverse Developments with respect to Financial Institutions and Associated Liquidity Risk

The global economic slowdown, inflation, rising interest rates and the prospects for recession, as well as recent and potential future disruptions in access to bank deposits or lending commitments due to bank failure, could materially and adversely affect FLUENT's liquidity, business and financial condition. The closures of Silicon Valley Bank and Signature Bank and their placement into receivership with the FDIC have identified bank-specific liquidity risks and concerns. Although the Department of the Treasury, the Federal Reserve, and the FDIC jointly released a statement that depositors at Silicon Valley Bank and Signature Bank would have access to their funds, even deposit amounts that exceed FDIC deposit insurance limits, future adverse developments with respect to specific financial institutions or the broader financial services industry may lead to market-wide liquidity shortages. The failure of any bank in which FLUENT deposits funds or with which it has a credit facility could reduce the amount of cash FLUENT has available for its operations or delay its ability to access such funds. Any such failure may increase the possibility of a sustained deterioration of financial market liquidity, or illiquidity at clearing, cash management and/or custodial financial institutions. FLUENT does not currently have a commercial relationship with a bank that has failed or is, to our knowledge, otherwise is experiencing operational distress, nor has FLUENT experienced delays or other issues in meeting its financial obligations. If other banks and financial institutions enter receivership or become insolvent in the future in response to financial conditions affecting the banking system and financial markets, FLUENT's ability to access its cash and cash equivalents and investments may be threatened and could have a Material Adverse Effect on FLUENT's business operations and financial condition.

General Regulatory and Legal Risks

Legal, Regulatory or Political Change

The political environment surrounding the marijuana industry in general can be volatile and the regulatory framework remains in flux.

Delays in enactment or implementation of new state or federal regulations could restrict the ability of FLUENT to reach strategic growth targets. The growth strategy of FLUENT is contingent upon certain federal and state regulations being enacted to facilitate the legalization of medical or adult use marijuana. If such regulations are not enacted, or enacted but subsequently repealed or amended, or enacted with prolonged phase-in periods, the growth targets of FLUENT, and thus, the effect on the return of investor capital, could be detrimental. FLUENT is unable to predict with certainty when and how the outcome of these complex regulatory and legislative proceedings will affect its business and growth.

Further, there is no guarantee that state laws legalizing and regulating 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. If existing applicable state laws are repealed or curtailed, FLUENT's business, results of operations, financial condition and prospects would be materially adversely affected. It is also important to note that local and city ordinances may strictly limit and/or restrict disbursement of cannabis in a manner that will make it extremely difficult or impossible to transact business in that jurisdiction, which may adversely affect FLUENT's continued operations. Repeal of applicable marijuana legislation could adversely affect FLUENT and its business, results of operations, financial condition and prospects.

FLUENT is also aware that multiple states are considering special taxes or fees on businesses in the cannabis industry. For example, in Michigan a new 24% excise tax on wholesale adult-use cannabis transactions was added in 2026, imposing an additional burden on operators. Other states are in the process of reviewing such additional fees and taxation. Should such special taxes or fees be adopted, this could have a Material Adverse Effect upon FLUENT's business, results of operations, financial condition or prospects.

The commercial medical and adult use marijuana industry is in its infancy. FLUENT's business activities rely on newly established and/or developing laws and regulations in the states in which it operates and FLUENT anticipates that such regulations will be subject to change as the jurisdictions in which FLUENT

does business matures, often times with minimal notice. Regulatory changes may adversely affect FLUENT's profitability or cause it to cease operations entirely. The cannabis industry may also come under scrutiny or further scrutiny by the FDA, USDA, DEA, IRS, SEC, the DOJ, the Financial Industry Regulatory Authority or other federal or applicable state or non-governmental regulatory authorities or self-regulatory organizations that supervise or regulate the production, distribution, sale or use of cannabis for medical or adult use purposes in the U.S. It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any proposals will become law. The regulatory uncertainty surrounding the industry may adversely affect the business and operations of FLUENT, including without limitation, the costs to remain compliant with applicable laws and the impairment of its business or the ability to raise additional capital.

FLUENT has in place a robust compliance program headed by its Director of Compliance. See above for more information regarding the compliance program under "*U.S. Regulatory Environment – Compliance Program*". In addition to FLUENT's robust legal and compliance departments, FLUENT also has local legal/regulatory counsel engaged or available in every jurisdiction in which it operates. FLUENT's compliance program is designed to provide meaningful advice, oversight for FLUENT's operations that includes regular site visits to ensure compliance with policies and procedures as well as applicable regulatory requirements, including but not limited to marketing materials review to ensure compliance with State and local regulations, and security and inventory control to ensure strict monitoring of cannabis and inventory from delivery by a licensed distributor to sale or disposal. FLUENT will continue to monitor compliance on an ongoing basis in accordance with its compliance program, standard operating procedures, and any changes to regulation in the marijuana industry. The program is headed by its Chief Legal Officer and Associate Director of Compliance.

Overall, the medical and adult use marijuana industry is subject to significant regulatory change at both the state and federal level. The inability of FLUENT to respond to the changing regulatory landscape may cause it to not be successful in capturing significant market share and could otherwise harm its business, results of operations, financial condition or prospects.

There is also a risk that FLUENT's interpretation(s) of laws, regulations and guidelines, including, but not limited to, the MRTA, their associated regulations, various U.S. state regulations and applicable stock exchange rules and regulations, may differ from those of others, including those of government authorities, securities regulators and exchanges, and FLUENT's operations may not be in compliance with such laws, regulations and guidelines. In addition, FLUENT, while it may be compliant today, may not be compliant following changes to any laws, regulations or guidelines. Achievement of FLUENT's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and, where necessary, obtaining regulatory approvals. The impact of regulatory compliance regimes, and the impact of any delays in obtaining or failures to obtain regulatory approvals required by FLUENT may significantly delay or impact the development of FLUENT's business and operations and could have a Material Adverse Effect on the business, financial condition and results of operations of FLUENT. In addition, any potential non-compliance could cause the business, financial condition and results of operations of FLUENT to be adversely affected.

In particular, Etain, a wholly-owned subsidiary of FLUENT, is currently regulated under New York state law related to adult use and medical cannabis. There is no assurance that New York state laws legalizing and regulating the sale and use of cannabis will not be repealed, amended or overturned, or that local governmental authorities will not limit the applicability of New York state laws within their respective jurisdictions. For example, there can be no guarantee that the value that FLUENT ascribes to this license will not be diminished as a result of additional license issuances or other regulatory changes by the OCM, CCB, or any other applicable regulatory body in the future, which changes may materially impact the commercial and/or economic value of the existing vertically integrated licenses. While the impact of changes to the regulatory framework in the state of New York is uncertain at this time, any of the foregoing, including the issuance of additional licenses, could result in a Material Adverse Effect on FLUENT's business, financial condition and results of operations. FLUENT will incur ongoing costs and obligations related to regulatory compliance. Compliance with applicable regulatory requirements may entail adopting corporate or transaction structures that are less efficient from a business, legal or tax perspective than would be the case in the absence of such regulatory requirements. Failure to comply with applicable laws

and regulations 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 or remedial actions. Parties may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, court rulings or more stringent application of existing laws or regulations, may have a material adverse impact on FLUENT, resulting in increased capital expenditures or production costs, reduced levels of cannabis production or abandonment or delays in the development of facilities, or other significant changes in FLUENT's, business plans, which could have a Material Adverse Effect on the business, financial condition and results of operations of FLUENT.

General Regulatory and Licensing Risks

FLUENT's business is subject to a variety of laws, regulations and guidelines relating to the manufacture, management, transportation, storage and disposal of marijuana, including laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. Achievement of FLUENT's business objectives is contingent, in part, upon compliance with applicable regulatory requirements and obtaining all requisite regulatory approvals. Changes to such laws, regulations and guidelines due to matters beyond the control of FLUENT may result in a Material Adverse Effect on FLUENT's business, financial condition, results of operations or prospects.

FLUENT is required to obtain or renew further government permits and licenses for its current and contemplated operations. Obtaining, amending or renewing the necessary governmental permits and licenses can be a time-consuming process potentially involving numerous regulatory agencies, involving public hearings and costly undertakings on FLUENT's part. The duration and success of FLUENT's efforts to obtain, amend and renew permits and licenses are contingent upon many variables not within its control, including the interpretation of applicable requirements implemented by the relevant permitting or licensing authority. FLUENT may not be able to obtain, amend or renew permits or licenses that are necessary to its operations or to achieve the growth of its business. Any unexpected delays or costs associated with the permitting and licensing process could impede the ongoing or proposed operations of FLUENT. To the extent necessary permits or licenses are not obtained, amended or renewed, or are subsequently suspended or revoked, FLUENT may be curtailed or prohibited from proceeding with its ongoing operations or planned development and commercialization activities. Such curtailment or prohibition may result in a Material Adverse Effect on FLUENT's business, financial condition, results of operations or prospects.

Several of FLUENT's licenses are subject to renewal on an annual or periodic basis. Such licenses are generally renewed, as a matter of course, if the license holder continues to operate in compliance with applicable legislation and regulations and without any material change to its operations, however there is no guarantee such licenses will be renewed on the same terms, or at all, going forward.

While FLUENT's compliance controls have been developed to mitigate the risk of any material violations of any license it holds arising, there is no assurance that FLUENT's licenses will be renewed by each applicable regulatory authority in the future in a timely manner. Any unexpected delays or costs associated with the licensing renewal process for any of the licenses held by FLUENT could impede the ongoing or planned operations of FLUENT and have a Material Adverse Effect on FLUENT's business, financial condition, results of operations or prospects.

FLUENT 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 FLUENT's reputation, require FLUENT to take, or refrain from taking, actions that could harm its operations or require Company 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 impact on FLUENT's business, financial condition, results of operations or prospects.

Limitations on Ownership of Licenses

In certain states, the cannabis laws and regulations limit not only the number of cannabis licenses issued, but also the number of cannabis licenses that one person may own. For example: (i) in Florida, there are limitations on owning more than one of the vertically integrated medical cannabis licenses offered in that state; and (ii) in Texas, the Texas Subsidiary holds one of only three issued licenses in the state; and (iv) in New York, there are limitations on the number of retail dispensary licenses FLUENT can control. FLUENT believes that, where such restrictions apply, it may still capture significant share of revenue in the market through wholesale sales, exclusive marketing relations, provision of management or support services, franchising and similar arrangement with other operators. Nevertheless, such limitations on the acquisition of ownership of additional licenses within certain states or enforcement by regulators in certain states against such services arrangements may limit FLUENT's ability to grow organically or to increase its market share in such states, which could have a Material Adverse Effect upon FLUENT's business, results of operations, financial condition or prospects.

Regulatory Action and Approvals from the Food and Drug Administration

FLUENT's medical cannabis-based products are supplied to patients diagnosed with certain medical conditions. However, FLUENT's cannabis-based products are not approved by the FDA as "drugs" or for the diagnosis, cure, mitigation, treatment, or prevention of any disease. Accordingly, the FDA may regard any promotion of the cannabis-based products as the promotion of an unapproved drug in violation of the FDCA.

Cannabidiol, a compound referred to as CBD, is one of the non-psychoactive cannabinoids in industrial hemp from the plant species *Cannabis sativa* L. There has been growing interest in CBD in recent years. CBD is increasingly used as an ingredient in food and beverages, as an ingredient in dietary supplements and as an ingredient in cosmetics, thereby generating new investments and creating employment in the cultivation and processing of hemp and hemp-derived products. Pharmaceutical products with CBD as an active ingredient have also been developed, including one product approved by the FDA (Epidiolex®). Foods and beverages, dietary supplements, pharmaceuticals, and cosmetics containing CBD are all subject to regulation under the FDCA. The FDA has asserted that CBD is not a lawful ingredient in foods and beverages, supplements and pharmaceuticals (unless FDA-approved), although FDA has generally refrained from taking enforcement action against those products. CBD-containing products may also be subject to the jurisdiction of state and local health authorities.

In recent years, the FDA has issued letters to a number of companies selling products that contain CBD oil derived from hemp warning them that the marketing of their products violates the FDCA. FDA enforcement action against FLUENT could result in a number of negative consequences, including fines, disgorgement of profits, recalls or seizures of products, or a partial or total suspension of FLUENT's production or distribution of its products. Any such event could have a Material Adverse Effect on FLUENT's business, prospects, financial condition, and results of operations.

FLUENT sells and distributes certain products containing CBD. FLUENT's compliance program also includes coverage of the CBD-related business with a focus on reviewing proposed marketing materials related to these products. There is a risk that the FDA or state or local Departments of Health will seek to stop FLUENT from selling its CBD products or seek to have the claims made for those products revised.

Cannabis May Become Subject to Increased Regulation by the FDA.

Cannabis remains a Schedule I controlled substance under U.S. Federal Laws (subject to certain exceptions in relation to medical cannabis). With the rescheduling of medical cannabis to Schedule III (and the potential rescheduling of adult-use cannabis to Schedule III in the near future) cannabis products may become subject to increased regulation by the FDA. The FDA is responsible for ensuring public health and safety through regulation of food, drugs, supplements and cosmetics, among other products, through its

enforcement authority pursuant to the FDCA. The FDA's responsibilities include regulating the ingredients as well as the marketing and labeling of food, drugs and cosmetics sold in interstate commerce.

Additionally, the FDA may issue rules and regulations, including good manufacturing practices, related to the growth, cultivation, harvesting and processing of cannabis. Clinical trials may be needed to verify the efficacy and safety of cannabis products. It is also possible that the FDA would require facilities that grow medical-use cannabis to register with the FDA and comply with federally prescribed regulations. In the event that some or all of these regulations are imposed, the impact on the cannabis industry is unknown, including what costs, requirements and possible prohibitions may be enforced. If we become subject to these enhanced regulations prescribed by the FDA and are unable to comply, it may have a Material Adverse Effect on our business, financial condition and results of operations.

Risk of DEA Enforcement

The Medical Rescheduling Order only rescheduled medical cannabis products approved by the FDA and products regulated by a state medical cannabis license and sold by an operator who has registered its business with DEA. There is uncertainty as to whether DEA will institute enforcement actions against cannabis operators who fail to secure DEA registration. FLUENT is currently in the process of registering its medical cannabis operators with DEA. Should DEA reject or delay the approval of FLUENT's registration, it may have a Material Adverse Effect on our business, financial condition and results of operations.

Loss of Foreign Private Issuer Status

FLUENT is no longer considered a Foreign Private Issuer as defined in Rule 405 under the U.S. Securities Act of 1933, as amended, and Rule 3b-4 under the U.S. Exchange Act of 1934, as amended, however, FLUENT is not yet required to report to the SEC due to the composition of its shareholder base. The loss of FLUENT's Foreign Private Issuer status may have adverse consequences on FLUENT's ability to raise capital in private placements or Canadian prospectus offerings and may likely result in increased reporting requirements and increased audit, legal and administration costs. These increased costs may significantly affect FLUENT's business, financial condition and results of operations.

Internal Controls over Financial Reporting

Effective internal control is necessary for FLUENT to provide timely, reliable and accurate financial reports, identify and proactively correct any deficiencies, material weaknesses or fraud and meet FLUENT's reporting obligations. A material weakness is a deficiency, or a combination of deficiencies, in financial reporting such that there is a reasonable possibility that a material misstatement of a company's annual or interim financial statements will not be presented or detected on a timely basis.

In the past, certain material weaknesses in internal controls were identified, including material weaknesses existing as of December 31, 2025. Remediation efforts have placed, and may continue to place, a significant burden on management and add increased pressure on FLUENT's financial reporting resources and processes. In addition, if additional material weaknesses or significant deficiencies in FLUENT's internal control over financial reporting occur in the future, FLUENT could be required to implement additional remediation measures and could potentially have to restate its financial statements again, which could materially and adversely affect its business, results of operations and financial condition, restrict its ability to access the capital markets, require FLUENT to expend significant resources to correct the material weaknesses or deficiencies, subject FLUENT to regulatory investigations and penalties, harm its reputation, cause a decline in investor confidence or otherwise cause a decline in the market price of FLUENT's Common Shares.

If FLUENT's internal controls contain material weaknesses that it is unable to identify, FLUENT may not detect errors on a timely basis and its financial statements may be materially misstated. This may cause investors to lose confidence in the accuracy and completeness of FLUENT's financial reports and the market price of FLUENT's Common Shares could be negatively affected.

Litigation

FLUENT may become threatened by a party, or otherwise become party to litigation from time to time in the ordinary course of business, which could adversely affect its business. Should any litigation in which FLUENT becomes involved be determined against FLUENT, such a decision could adversely affect FLUENT's ability to continue operating and the market price for the Common Shares. Even if FLUENT is involved in litigation and is successful, such litigation could redirect significant company resources from business operations to prosecuting or defending such litigation, which can adversely affect the financial results, business and operations of FLUENT or its Subsidiaries, as applicable. There also may be adverse publicity associated with litigation that could negatively affect customer perception of the business, regardless of whether the allegations are valid or whether FLUENT is ultimately found liable. See "Legal Proceedings and Regulatory Actions" for an overview of the material proceedings affecting FLUENT.

FLUENT's Status as a Public Company

As a public company in Canada and the U.S., FLUENT is subject to the reporting requirements, rules and regulations under the applicable Canadian and United States securities laws and rules of stock exchanges on which FLUENT's securities may be listed from time to time. Securities legislation and the rules and policies of the CSE require listed companies to, among other things, adopt corporate governance and related practices, and to continuously prepare and disclose material information, all of which add to a company's legal and financial compliance costs. Additional or new regulatory requirements may be adopted in the future by the CSE or other securities law regulators. The requirements of existing and potential future rules and regulations increase FLUENT's legal, accounting and financial compliance costs, make some activities more difficult, time-consuming or costly, and may also place undue strain on its personnel, systems, and resources, which could adversely affect its business and financial condition.

Recent and Proposed State Legislation Relating to Cannabis Licensing

Recent and proposed state legislation throughout the U.S. has prioritized minority and diversity participation in the cannabis industry, including providing licensing preferences to minority owners, individuals with specified criminal convictions, local residents and individuals and businesses from economically depressed or disadvantaged areas. As new medical and adult use legislation is passed, multistate operators such as FLUENT may be prevented, limited or discouraged from obtaining new licenses, renewing licenses or from participating in new markets or existing markets, or may be required to partner with specific individuals, who may be difficult to find and agree to terms with. Social equity initiatives could adversely impact FLUENT's ability to increase or maintain market share and revenues in certain states, expand FLUENT's geographic footprint or obtain a positive return on acquisitions or investments, all of which could have a material adverse impact on FLUENT's business, financial condition and results of operations.

The Industry in Which FLUENT Operates is Still Developing and Subject to Extensive Regulation

The cannabis industry is an evolving industry that may not succeed. Should the federal government in the U.S. change course and decide to prosecute those dealing in cannabis under applicable law, there may not be any market for FLUENT's products and services in the U.S. Cannabis is a relatively new industry subject to extensive regulation, and there can be no assurance that it will grow, flourish or continue to the extent necessary to permit FLUENT to succeed. Management is treating the cannabis industry as a deregulating industry with significant unsatisfied demand for FLUENT's proposed products and will adjust future operations, product mix and market strategy as the industry develops and matures. Further, few clinical trials on the benefits of cannabis or isolated cannabinoids have been conducted. Future research and clinical trials may draw opposing conclusions to statements contained in the articles, reports and studies currently favored, or could reach different or negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing or other facts and perceptions related to medical cannabis, which could adversely affect social acceptance of cannabis and the demand for FLUENT's products and dispensary services.

Accordingly, there is no assurance that the cannabis industry and the market for medicinal and/or adult-use cannabis will continue to exist and grow as currently anticipated or function and evolve in a manner consistent with management's expectations and assumptions. Any event or circumstance that adversely

affects the cannabis industry, such as the imposition of further restrictions on sales and marketing or further restrictions on sales in certain areas and markets could have a Material Adverse Effect on FLUENT's business, financial condition and results of operations.

Potential Changes to U.S. Regulatory System

In December 2025, President Trump issued an executive order which directs the Attorney General to expedite the movement of marijuana from Schedule I to Schedule III under the CSA. On April 23, 2026, DOJ and DEA issued the Medical Rescheduling Order, which rescheduled FDA-approved products containing cannabis and medical cannabis products regulated by a state medical cannabis license and sold by an operator registered with DEA to Schedule III. DEA will hold an expedited administrative hearing on the rescheduling of adult use cannabis beginning on June 29, 2026. The rescheduling of medical cannabis, and potential future rescheduling of adult use cannabis, may lead to new regulatory compliance obligations placed upon cannabis operators in the United States. Under the FFDCA, Schedule III cannabis and cannabis-derived products bearing health claims (e.g., under a medical marijuana state regime) would be treated as a "new drug" requiring approval by the FDA before they could be dispensed, by prescription only. The FDA can also enforce against cannabis products unlawfully marketed as conventional foods or dietary supplements or that are otherwise misbranded or adulterated under the FFDCA.

Therefore, there is a risk that U.S. federal authorities through, among others, the DOJ, its sub-agency the DEA, and the IRS, may enforce federal law. This enforcement could entail active investigations, auditing, and shutting down cannabis growing facilities, processors, and retailers. If any such action occurs, FLUENT may be deemed to be producing, cultivating or dispensing cannabis and drug paraphernalia in violation of U.S. federal law. Since federal law criminalizing the cultivation, production, extraction, distribution, transportation, possession or use of marijuana applies despite state laws that legalize such actions, enforcement of federal law regarding marijuana is a significant risk and would greatly harm FLUENT's business, prospects, revenue, results of operation and financial condition. There can be no assurances that the U.S. federal government will not seek to enforce the applicable laws against FLUENT. The consequences of such enforcement would be materially adverse to FLUENT's business, including to the reputation, profitability, and market price of its securities, and have the potential to result in the forfeiture or seizure of all or substantially all of FLUENT's assets.

General Business Risks

Future Acquisitions or Dispositions

FLUENT historically grew through acquisitions. Any future acquisition that FLUENT may choose to complete may be subject to customary closing conditions, which may include in certain instances, regulatory approval and may not close for a variety of reasons including if the closing conditions are not satisfied or waived, some of which may not be within the control of FLUENT. In addition, even if these transactions were to be completed, they may not close on terms or within the timing currently expected. If one or more of these transactions do not close or are completed pursuant to terms or timelines different than expected, it could have an adverse effect on FLUENT's future capital plans and require FLUENT to reallocate funds.

Without realizing any of the benefits of having completed such transactions, material acquisitions, dispositions and other strategic transactions involve a number of risks, including: (i) potential disruption of FLUENT's ongoing business, including negative reactions from the financial markets, including negative impacts on the price of the Common Shares; (ii) distraction of management which would otherwise have been devoted to day-to-day operations and other opportunities that may have been beneficial to FLUENT; (iii) FLUENT may become more financially leveraged; (iv) 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; (v) increase in the scope and complexity of FLUENT's operations; (vi) loss or reduction of control over certain of FLUENT's assets; (vii) in the case of a proposed acquisition, FLUENT may need to find an alternative use of any capital earmarked for such proposed acquisitions, to the extent the consideration for such acquisition is paid partly or entirely in cash; and (viii) in the case of a proposed disposition, FLUENT may not receive the anticipated proceeds of such disposition and accordingly may not be able to execute on other business

opportunities for which such proceeds have been earmarked. Additionally, FLUENT may issue a significant number of additional Common Shares which would dilute the current Shareholders' holding in FLUENT or indirect holdings in FLUENT.

Finally, while FLUENT conducts due diligence with respect to the acquisition of businesses and assets, the presence of one or more material liabilities of an acquired company that are unknown to FLUENT at the time of acquisition could have a Material Adverse Effect on the business, results of operations, prospects and financial condition of FLUENT. A strategic transaction may result in a significant change in the nature of FLUENT's business, operations and strategy. In addition, FLUENT may encounter unforeseen obstacles or costs in implementing a strategic transaction or integrating any acquired business into FLUENT's operations.

Service Providers

As a result of any adverse change to the approach in enforcement of United States cannabis laws, adverse regulatory or political change, additional scrutiny by regulatory authorities, adverse change in public perception in respect of the consumption of marijuana or otherwise, third party service providers to FLUENT could suspend or withdraw their services, which are necessary for FLUENT's operations. Such suspension or withdrawal by such third-party service providers may have a Material Adverse Effect on FLUENT's business.

Enforceability of Contracts

It is a fundamental principle of law that a contract will not be enforced if it involves a violation of law or public policy. Because cannabis remains illegal at a federal level in the United States, judges may refuse to enforce contracts in connection with activities that violate federal law, even if there is no violation of state law. There remains doubt and uncertainty that FLUENT will be able to legally enforce contracts it enters into if necessary. FLUENT cannot be assured that it will have a remedy for breach of contract, the lack of which may have a Material Adverse Effect on FLUENT's business, revenues, results of operations, financial condition or prospects.

Reliance on Management and Key Personnel and Management of Growth

The success of FLUENT is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management and other key employees. While employment agreements or management agreements are customarily used as a primary method of retaining the services of key employees, these agreements cannot assure the continued services of such employees. If one or more of these individuals were unable or unwilling to continue in their present positions, FLUENT might not be able to replace them easily or at all. Any loss of the services of such individuals could have a Material Adverse Effect on FLUENT's business, results of operations, financial condition or prospects.

Social, demographic and economic trends observed on a global basis, are making it more challenging to hire and retain personnel in most industries. Inflationary pressures, shortages, competitiveness in the labour markets where FLUENT operates, increased employee turnover and changes in the availability of its employees have resulted in, and could continue to result in, increased labor-related costs, which could have a Material Adverse Effect on FLUENT's results and financial condition. In addition, these factors have impacted, and could continue to impact, its ability to meet consumer demand, which could negatively affect its financial condition, results, or cash flows. The failure to recruit, retain, motivate, effectively communicate with, and train and develop highly skilled and competent people at all levels of FLUENT's organization could also result in shortages in the availability of appropriately skilled people at any particular levels within the organization and significantly affect its financial results.

In addition, FLUENT may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of FLUENT to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of FLUENT to deal with this growth may have a Material Adverse Effect on FLUENT's business, financial condition, results of operations or prospects.

Previously, news media have reported that U.S. immigration authorities have increased scrutiny of Canadian citizens who are crossing the U.S.-Canada border with respect to persons involved in cannabis businesses in the U.S. There have been a number of Canadians barred from entering the U.S. as a result of an investment in or act related to U.S. cannabis businesses. In some cases, entry has been barred for extended periods of time. FLUENT employees who are not U.S. citizens traveling from Canada to the U.S. for the benefit of FLUENT may encounter enhanced scrutiny by U.S. immigration authorities that may result in the employee not being permitted to enter the U.S. for a specified period of time. If this happens to FLUENT employees who are not U.S. citizens, then this may reduce FLUENT's ability to manage effectively our business in the U.S. For additional details, see "*Admissibility into the U.S.*" below.

Admissibility into the U.S.

Admissibility into the U.S. for those individuals involved with cannabis remains uncertain since the sale, possession, production and distribution of marijuana or the facilitation of the aforementioned remain illegal under U.S. Federal Law. U.S. Customs practices continue to evolve and the U.S. Customs and Border Protection (the "**CBP**") released a statement on October 11, 2018 (the "**CBP Statement**") confirming that CBP enforces the laws of the U.S. and U.S. laws have not changed following Canada's legalization of marijuana. Requirements for international travelers wishing to enter the United States are governed by and conducted in accordance with U.S. Federal Law, which supersedes state laws. Although medical and recreational marijuana may be legal in some U.S. States and Canada, the sale, possession, production and distribution of marijuana or the facilitation of the aforementioned remain illegal under U.S. Federal Law. Consequently, crossing the border or arriving at a U.S. port of entry in violation of this law may result in denied admission, seizure, fines and apprehension.

The CBP Statement also stated that CBP officers are thoroughly trained on admissibility factors and the Immigration and Nationality Act, which broadly governs the admissibility of travelers into the U.S. Determinations about admissibility and whether any regulatory or criminal enforcement is appropriate are made by a CBP officer based on the facts and circumstances known to the officer at the time. Generally, any arriving alien who is determined to be a drug abuser or addict, or who is convicted of, admits having committed, or admits committing, acts which constitute the essential elements of a violation of (or an attempt or conspiracy to violate) any law or regulation of a State, the U.S. or a foreign country relating to a controlled substance, is inadmissible to the U.S. The CBP Statement then continued to state that a Canadian citizen working in or facilitating the proliferation of the legal marijuana industry in Canada, coming to the U.S. for reasons unrelated to the marijuana industry will generally be admissible to the U.S. However, if a traveler is found to be coming to the U.S. for reason related to the marijuana industry, they may be deemed inadmissible.

Cannabis Prices

The price of the Common Shares and FLUENT's financial results may be significantly and adversely affected by a decline in the price of cannabis. There is currently not an established market price for cannabis and the price of cannabis is affected by numerous factors beyond FLUENT's control. Any price decline may have a Material Adverse Effect on the business, financial condition, and results of operations of FLUENT. FLUENT's operating income may be sensitive to changes in the price of cannabis and the overall condition of the cannabis industry.

Competition

The cannabis industry remains quite nascent, and so what the landscape will be in the future remains largely unknown, which in itself is a risk. Potential competitors, which in the future may include pharmaceutical companies, are also larger and better capitalized than FLUENT, may enter markets through acquisitive growth, may have longer operating histories and have significantly greater financial, technological, engineering, manufacturing, marketing and distribution resources.

The market for the products that FLUENT offers or intends to offer is competitive. The competition will most likely increase as more U.S. states permit the use of medical and adult-use cannabis and new industry participants and diversified products emerge. Increased competition may hinder FLUENT's ability to

successfully market its products and services. To remain competitive, FLUENT will require a continued high level of investment in research and development, marketing, sales, talent retention and client support. FLUENT may not have the resources, expertise or other competitive requirements to compete successfully in the future and pressure from FLUENT's competitors may have a Material Adverse Effect on FLUENT's business, financial condition, results of operations or prospects.

Moreover, the cannabis industry is undergoing rapid growth and substantial change, which has resulted in an increase in competitors, consolidation and the formation of strategic relationships. This competition may increase the price FLUENT must pay for acquisitions and make it more difficult for FLUENT to purchase additional businesses and assets. Acquisitions conducted by our competitors or other consolidating transactions could, in turn, harm us in a number of ways, including losing customers, revenue and market share, or forcing us to expend greater resources to meet new or additional competitive threats, all of which could harm FLUENT's results of operations. As competitors enter the market and become increasingly sophisticated, competition in our industry may intensify and place downward pressure on retail prices for FLUENT's products and services, which could negatively impact profitability.

The pharmaceutical industry may attempt to compete with or dominate the cannabis industry, and in particular, medical cannabis, through the development and distribution of synthetic products that emulate the effects and treatment of organic cannabis. If they are successful, the widespread popularity of such synthetic products could change the demand, volume and profitability of the cannabis industry. This could have a Material Adverse Effect on the business, financial condition or results of operations or prospects of FLUENT.

FLUENT also faces competition from the illicit market and illegal dispensaries and products that are unlicensed and unregulated and that are selling cannabis and cannabis products, including products with higher concentrations of active ingredients, and using delivery methods, including edibles and extract vaporizers that FLUENT may be prohibited from offering to individuals due to laws and regulations. Any inability or unwillingness of law enforcement authorities to enforce existing laws prohibiting the unlicensed production and sale of cannabis and cannabis products could result in increased competition for FLUENT, which could have a Material Adverse Effect on FLUENT's business, financial condition or results of operations.

Agricultural Business Risks

FLUENT's business involves the cultivation of the cannabis plant. The cultivation of this plant is subject to agricultural risks related to insects, plant diseases, water and electricity availability and costs, unstable growing conditions and similar agricultural risks, as well as force majeure events. Although FLUENT cultivates its cannabis plants in indoor, climate controlled rooms staffed by trained personnel and in the future plans to cultivate cannabis plants in greenhouses, there can be no assurance that agricultural risks will not have a Material Adverse Effect on the cultivation of its cannabis and, accordingly, FLUENT's business, financial condition and results of operations. FLUENT may in the future cultivate cannabis plants outdoors, which would also subject it to related agricultural risks.

Unfavorable Publicity or Consumer Perception

FLUENT believes the adult use and medical marijuana industries are highly dependent upon consumer perception regarding the safety, efficacy and quality of the marijuana produced. In particular, FLUENT's financial performance in each state will depend on whether patients and physicians view its products as effective and safe for use.

Under the laws of the states in which FLUENT and its affiliates operate, the participation of physicians and health care providers in the certification process is voluntary and therefore depends on a number of variables, including: medical professionals' views as to the use of medical cannabis to treat qualifying conditions; the risks and benefits to individual patients or patient groups; the policies of particular medical practices; and patient demand. If physicians and other medical professionals do not certify patients where certification is required under state law, FLUENT's business, financial position and results of operations may be negatively affected.

Public perception can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of marijuana products. There can be no assurance that future scientific research or findings, regulatory investigations, litigation, media attention or other publicity will be favorable to the marijuana market or any particular product, or consistent with earlier publicity. Future research reports, findings, regulatory investigations, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or other publicity could have a Material Adverse Effect on the demand for adult use or medical marijuana and on the business, results of operations, financial condition, cash flows or prospects of FLUENT.

Further, adverse publicity reports or other media attention regarding the safety, efficacy and quality of marijuana in general, or associating the consumption of adult use and medical marijuana with illness or other negative effects or events, could have such a Material Adverse Effect. There is no assurance that such adverse publicity reports or other media attention will not arise. A negative shift in the public's perception of cannabis in the U.S. or any other applicable jurisdiction could cause state jurisdictions to abandon initiatives or proposals to legalize medical and/or adult use cannabis, thereby limiting the number of new state jurisdictions into which FLUENT could expand. Any inability to fully implement FLUENT's expansion strategy may have a Material Adverse Effect on FLUENT's business, results of operations or prospects.

Acceptance of FLUENT's products depends on several factors, including availability, cost, ease of use, familiarity of use, convenience, effectiveness, safety and reliability. The ability to gain and increase market acceptance of FLUENT's products may require FLUENT to establish and maintain its brand name and reputation. In order to do so, substantial expenditures on product development, strategic relationships and marketing initiatives may be required. There can be no assurance that these initiatives will be successful and their failure may have a Material Adverse Effect on FLUENT's business, results of operations or prospects.

Product Liability

As a manufacturer and distributor of products designed to be ingested by humans, FLUENT faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. In addition, the manufacture and sale of marijuana 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 marijuana alone or in combination with other medications or substances could occur. As a manufacturer, distributor and retailer of adult use and medical marijuana, or in its role as an investor in or service provider to an entity that is a manufacturer, distributor and/or retailer of adult use or medical marijuana, FLUENT may be subject to various product liability claims, including, among others, that the marijuana product 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 FLUENT could result in increased costs, could adversely affect FLUENT's reputation with its clients and consumers generally, and could have a Material Adverse Effect on the business, results of operations, financial condition or prospects of FLUENT. There can be no assurances that FLUENT will be able to 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 maintain sufficient insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of FLUENT's potential products or otherwise have a Material Adverse Effect on the business, results of operations, financial condition or prospects of FLUENT.

Risks Regarding Vaping Products

On October 4, 2019, the FDA issued a warning to the public to stop using vaping products containing THC, in light of a potential but unconfirmed link to lung injuries such as severe pulmonary illness. These warnings appear to be particularly focused on the use of vaping liquids purchased from unlicensed or unregulated

retailers in the U.S. There have also been reported cases in Canada of lung injuries associated with the use of cannabis derivatives containing vaping liquid. Health Canada has issued an information update advising Canadians who use cannabis derivatives containing vaping liquids to monitor themselves for symptoms of pulmonary illness. Governments and the private sector may take further actions aimed at reducing the sale of cannabis containing vaping liquids and/or seeking to hold manufacturers of cannabis containing vaping liquids responsible for the adverse health effects associated with the use of these vaping products. For instance, the provincial governments in Quebec and Newfoundland have already imposed provincial regulatory restrictions on the sale of cannabis vape products. These actions, together with potential deterioration in the public's perception of cannabis containing vaping liquids, may result in a reduced market for the vaping products of FLUENT. Federal, state and local regulations or actions that prohibit or restrict the sale of the vaping products of FLUENT, including cannabis derivative vaping liquids, or that decrease consumer demand for these products by prohibiting their use, raising the minimum age for their purchase, raising the purchase prices to unattractive levels via taxation, or banning their sale, could adversely impact FLUENT.

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. Such recalls cause unexpected expenses of the recall and any legal proceedings that might arise in connection with the recall. This can cause loss of a significant amount of sales and FLUENT may not be able to replace those sales at an acceptable margin, if at all. In addition, a product recall may require significant management attention. Although FLUENT 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. Additionally, if one of FLUENT's products were subject to recall, the image of that product and FLUENT could be harmed. Additionally, product recalls can lead to increased scrutiny of operations by applicable regulatory agencies, requiring further management attention and potential legal fees and other expenses. A recall may lead to decreased demand for products produced by FLUENT and could have a Material Adverse Effect on its results of operations and financial condition.

Results of Future Clinical Research

Research in Canada, the U.S. and internationally regarding the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis or isolated cannabinoids (such as CBD and THC) remains in early stages. There have been relatively few clinical trials on the benefits of cannabis or isolated cannabinoids (such as CBD and THC) and future research and clinical trials may discredit the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis or could raise concerns regarding, and perceptions relating to, cannabis. Given these risks, uncertainties and assumptions, prospective purchasers of FLUENT's securities should not place undue reliance on such articles and reports.

Future research studies and clinical trials may draw opposing conclusions or reach negative conclusions regarding the medical benefits, viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to cannabis, which could have a Material Adverse Effect on the demand for FLUENT's products with the potential to lead to a Material Adverse Effect on FLUENT's business, financial condition, results of operations or prospects.

Dependence on Suppliers

The ability of FLUENT to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to equipment, parts and components. No assurances can be given that FLUENT will be successful in maintaining its required supply of equipment, parts and components. It is also possible that the final costs of the major equipment contemplated by FLUENT's capital expenditure plans may be significantly greater than anticipated by FLUENT's management and may be greater than funds available to FLUENT, in which circumstance FLUENT may curtail, or extend the timeframes for completing, its capital

expenditure plans. This could have an adverse effect on the business, financial condition, results of operations or prospects of FLUENT.

Reliance on Inputs

The marijuana business is dependent on a number of key inputs and their related costs including raw materials and supplies related to growing operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition, results of operations or prospects of FLUENT. In addition, any restrictions on the ability to secure required supplies or utility services or to do so on commercially acceptable terms could have a materially adverse impact on the business, financial condition and results of operations. Some of these inputs may only be available from a single supplier or a limited group of suppliers. If a sole source supplier was to go out of business, FLUENT might be unable to find a replacement for such source in a timely manner or at all. If a sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to FLUENT in the future. The cost of raw materials, as well as energy, transportation, and logistics necessary for the production and distribution of FLUENT's products has rapidly increased. FLUENT expects the inflationary pressures on input costs to continue to impact its business in 2026.

Limited Market Data and Difficulty to Forecast

As a result of recent and ongoing regulatory and policy changes in the medical and adult use marijuana industry, the market data available is limited and unreliable. Federal and state laws prevent widespread participation and hinder market research. Therefore, FLUENT must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the industry. Due to the early stage of the regulated cannabis industry, forecasts regarding the size of the industry and the sales of products by FLUENT are inherently difficult to prepare with a high degree of accuracy and reliability. Market research and projections by FLUENT of estimated total retail sales, demographics, demand, and similar consumer research are based on assumptions from limited and unreliable market data, and generally represent the personal opinions of FLUENT's management team as of the date of this Circular. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a Material Adverse Effect on the business, results of operations, financial condition or prospects of FLUENT.

Limited Operating History

FLUENT has a limited history of operations, in particular as a full-fledged operator of licensed cannabis cultivation and dispensary facilities in the U.S. Accordingly, FLUENT is subject to many of the risks common to early-stage enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial, and other resources, and lack of income. The limited operating history may also make it difficult for investors to evaluate FLUENT's prospects for success. There is no assurance that FLUENT will be successful and its likelihood of success must be considered in light of its early stage of operations.

Negative Operating Cash Flow and Ability to Continue as a Going Concern

FLUENT has negative cash flow from operating activities and has historically incurred net losses. There is no assurance that sufficient revenues will be generated in the near future. To the extent that FLUENT has negative operating cash flows in future periods, it may need to deploy a portion of its existing working capital to fund such negative cash flows. FLUENT may be required to raise additional funds through the issuance of additional equity securities or through loan financing. There is no assurance that additional capital or other types of financing will be available if needed or that these financings will be on terms at least as favourable to FLUENT as those previously obtained, or at all. FLUENT's ability to successfully raise additional capital and maintain liquidity may be impaired by factors outside of its control, such as a shift in consumer preferences or a downturn in the economy.

FLUENT's Interim Consolidated Financial Statements have been prepared assuming that FLUENT will continue as a going concern. The going concern basis of accounting contemplates the realization of assets

and the settlement of liabilities in the normal course of business. As at December 31, 2025, FLUENT had cash and cash equivalents of \$8,910 and working capital of \$3,961. For the year ended December 31, 2025, FLUENT incurred a net loss of (\$72,136) and experienced negative operating cash flows of (\$588). These conditions indicate the existence of events and circumstances that may cast significant doubt on the FLUENT's ability to continue as a going concern. The FLUENT's continuation as a going concern is dependent upon its continued operations, which in turn is dependent upon, among other things, FLUENT's ability to meet its financial requirements. There is no assurance that the FLUENT will be successful in its plans to fund its operations and debt obligations as they become due and payable.

Profitability

FLUENT has incurred losses in recent periods and has negative net income, including the fiscal years ended December 31, 2025 and December 31, 2024. FLUENT may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, FLUENT expects to continue to invest in the business and incur operating expenses as it implements initiatives to continue to improve the business. If FLUENT's revenue declines or fails to grow at a rate faster than its expenses, and FLUENT is unable to secure funding under terms that are favorable or acceptable, or at all, FLUENT will not be able to achieve and maintain profitability in future periods. As a result, FLUENT may continue to generate losses. FLUENT may not achieve profitability in the future and, even if it does become profitable, FLUENT might not be able to sustain that profitability. There is no assurance that future revenues will be sufficient to generate the funds required to continue operations without external funding.

Intellectual Property Risks

FLUENT's ability to compete in the future partly depends on the superiority, uniqueness and value of its intellectual property and technology, including both internally developed technology and technology licensed from third parties. To the extent FLUENT is able to do so, in order to protect its proprietary rights, FLUENT will rely on a combination of trademark, patent, copyright and trade secret laws, confidentiality agreements with its employees and third parties, and protective contractual provisions which may prove insufficient to protect FLUENT's proprietary rights. Third parties may independently develop substantially equivalent proprietary information without infringing upon any proprietary technology. Third parties may otherwise gain access to FLUENT's proprietary information and adopt it in a competitive manner. In addition, effective future patent, copyright and trade secret protection may be unavailable or limited in certain foreign countries and may be unenforceable under the laws of certain jurisdictions. Failure of FLUENT to adequately maintain and enhance protection over its proprietary techniques and process may have a Material Adverse Effect on FLUENT's business, financial condition, results of operations or prospects.

As long as cannabis remains illegal under U.S. Federal Law as a Schedule I controlled substance pursuant to the CSA, the benefit of certain federal laws and protections which may be available to most businesses, such as federal trademark protection, may not be available to FLUENT. Rescheduling alone may not make certain protections available, as the USPTO has denied trademark protections to consumable products containing CBD due to a lack of FDA approval. As a result, FLUENT's intellectual property may never be adequately or sufficiently protected against the use or misappropriation by third-parties. In addition, since the regulatory framework of the cannabis industry is in a constant state of flux, FLUENT can provide no assurance that it will ever obtain any protection of its intellectual property, whether on a federal, state or local level. While many states do offer the ability to protect trademarks independent of the federal government, patent protection is wholly unavailable on a state level, and state-registered trademarks provide a lower degree of protection than would federally-registered marks.

Constraints on Marketing Products

The development of FLUENT's business and results of operations may be hindered by applicable restrictions on sales and marketing activities imposed by government regulatory bodies for products containing cannabis or ingredients derived from cannabis. Restrictions may include regulations that specify what, where and to whom product information and descriptions may appear and/or be advertised. Marketing, advertising, packaging and labeling regulations also vary from state to state, potentially limiting

the consistency and scale of consumer branding communication and product education efforts. The regulatory environment in the U.S. limits companies' abilities to compete for market share in a manner similar to other industries. If FLUENT is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for its products, FLUENT's sales and results of operations could be adversely affected.

Fraudulent or Illegal Activity by Employees, Contractors and Consultants

FLUENT is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to FLUENT that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal and state healthcare fraud and abuse laws and regulations; (iv) laws that require the true, complete and accurate reporting of financial information or data; or (v) revenue recognition rules under generally accepted accounting standards. It may not always be possible for FLUENT to identify and deter misconduct by its employees and other third parties, and the precautions taken by FLUENT to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting FLUENT from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations, or stemming from weaknesses in internal controls.

If any such actions are instituted against FLUENT, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on FLUENT's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of FLUENT's operations, any of which could have a Material Adverse Effect on FLUENT's business, financial condition, results of operations or prospects.

We may have increased labor costs based on union activity

Labor unions are working to organize workforces in the cannabis industry in general. It is possible that large portions of our workforce at retail and/or manufacturing locations will be organized in the future, which could lead to work stoppages or increased labor costs and adversely affect FLUENT's business, profitability and its ability to reinvest into the growth of its business. FLUENT cannot predict how stable its relationships with U.S. labor organizations will remain or whether it can meet any unions' requirements without impacting FLUENT's financial condition. Labor unions may also limit FLUENT's flexibility in dealing with its workforce. Work stoppages and instability in union relationships could delay the production and sale of FLUENT's products, which could strain relationships with customers and cause a loss of revenues which would adversely affect operations.

Information Technology Systems and Cyber-Attacks

FLUENT's operations depend, in part, on how well it and its suppliers protect networks, equipment, IT systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. FLUENT's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as preemptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or an increase in capital expenses.

In addition, FLUENT collects and stores personal information about its patients and is 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 patient lists and preferences, is an ongoing risk, whether perpetrated via employee collusion or negligence or through deliberate cyber-attack. To the extent that any disruption or security breach were to result in a loss of, or damage to, FLUENT's data, including any personal medical information, FLUENT could incur liability and reputational damage and could be subject to civil fines and

penalties. Any such theft or privacy breach would have a Material Adverse Effect on FLUENT's business, financial condition and results of operations.

FLUENT has not experienced any material losses to date relating to cyber-attacks or other information security breaches, but there can be no assurance that FLUENT will not incur such losses in the future. FLUENT's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access is a priority. As cyber threats continue to evolve, FLUENT may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Security Breaches

Given the nature of FLUENT's products and its lack of legal availability outside of channels approved by the government of the U.S., as well as the concentration of inventory in its facilities, there remains a risk of shrinkage as well as theft. If there was a breach in security systems and FLUENT becomes victim to a robbery or theft, the loss of cannabis plants, cannabis oils, cannabis flowers and cultivation and processing equipment or if there was a failure of information systems or a component of information systems, it could, depending on the nature of any such breach or failure, adversely impact FLUENT's reputation, business continuity and results of operations. A security breach at one of FLUENT's facilities could expose FLUENT to additional liability and to potentially costly litigation, increase expenses relating to the resolution and future prevention of these breaches and may deter potential patients from choosing FLUENT's products.

Although FLUENT maintains insurance to protect against such risks in such amounts as it considers to be reasonable, its insurance does not cover all the potential risks associated with its operations. FLUENT may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability.

Website Accessibility

Internet websites are visible by people everywhere, not just in jurisdictions where the activities described therein are considered legal. As a result, to the extent FLUENT sells services or products via web-based links targeting only jurisdictions in which such sales or services are compliant with state law, FLUENT may face legal action in other jurisdictions which are not the intended object of any of FLUENT's marketing efforts for engaging in any web-based activity that results in sales into such jurisdictions deemed illegal under applicable laws.

Artificial Intelligence

FLUENT's use of, or failure to effectively implement, artificial intelligence and automated systems could lead to operational disruptions, data inaccuracies, erroneous outputs, or legal liabilities. Artificial intelligence technologies are complex, rapidly changing, and may not operate as intended. The regulatory landscape for artificial intelligence is nascent; new laws may impose costly compliance requirements, differ across jurisdictions, and restrict FLUENT's ability to use certain artificial intelligence technologies. Furthermore, the use of generative artificial intelligence by FLUENT's employees or third-party service providers could result in privacy and data security concerns, or the unintended disclosure of trade secrets or intellectual property.

FLUENT may incorporate artificial intelligence technologies into its business operations, such as its cultivation monitoring, supply chain forecasting, and retail customer engagement platforms. If the algorithms of the artificial intelligence technologies used are flawed, or if the data used to train them is biased or inaccurate, it could lead to suboptimal cultivation yields, inventory imbalances, or discriminatory marketing practices. FLUENT aims to use artificial intelligence technologies responsibly, and identify and mitigate associated ethical, legal, and technical risks, but FLUENT may not detect or resolve issues before they occur.

High Bonding and Insurance Coverage

There is a risk that a greater number of state regulatory agencies will begin requiring entities engaged in certain aspects of the business or industry of legal cannabis to post a bond or significant fees when applying, for example, for a dispensary license or renewal as a guarantee of payment of sales and franchise tax. FLUENT is not able to quantify at this time the potential scope for such bonds or fees in the states in which it currently or may in the future operate. Any bonds or fees of material amounts could have a negative impact on the ultimate success of FLUENT's business.

FLUENT's business is subject to a number of risks and hazards generally, including adverse environmental conditions, accidents, public health crisis, labor disputes and changes in the regulatory environment. Such occurrences could result in the interruption of our business, damage to assets, shortage of staff, disruption of supply chain, market volatility, personal injury or death, environmental damage, delays in operations, monetary losses and possible legal liability.

Although FLUENT maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance does not cover all the potential risks associated with its operations. FLUENT may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards encountered in the operations of FLUENT is not generally available on acceptable terms. FLUENT might also become subject to liability for pollution or other hazards which may not be insured against or which FLUENT may elect not to insure against because of premium costs or other reasons. Losses from these events may cause FLUENT to incur significant costs that could have a Material Adverse Effect upon its business, results of operations, financial condition or prospects.

Performance Not Indicative of Future Results

The prior investment and operational performance of FLUENT is not indicative of the future results of operations of FLUENT. There can be no assurance that the historical results of operations achieved by FLUENT or its affiliates will be achieved by FLUENT, and FLUENT's performance may be materially different.

Financial Projections May Prove Materially Inaccurate or Incorrect

FLUENT financial estimates, projections and other forward-looking information or statements included in this Circular are based on assumptions of future events that may or may not occur, which assumptions may not be disclosed in this Circular. Shareholders should inquire of FLUENT and become familiar with the assumptions underlying any estimates, projections or other forward-looking information or statements. Projections are inherently subject to varying degrees of uncertainty and their achievability depends on the timing and probability of a complex series of future events. There is no assurance that the assumptions upon which these projections are based will be realized. Actual results may differ materially from projected results for a number of reasons including increases in operation expenses, changes or shifts in regulatory rules, undiscovered and unanticipated adverse industry and economic conditions, and unanticipated competition. Accordingly, Shareholders and prospective investors should not rely on any projections to indicate the actual results FLUENT might achieve.

Global Economic Conditions

FLUENT's business, financial condition, results of operations and cash flow may be negatively impacted by challenging global economic conditions.

A global economic slowdown would cause disruptions and extreme volatility in global financial markets, increased rates of default and bankruptcy and declining consumer and business confidence, which can lead to decreased levels of consumer spending. These macroeconomic developments could negatively impact FLUENT's business, which depends on the general economic environment and levels of consumer spending. As a result, FLUENT may not be able to maintain its existing customers or attract new customers, or it may be forced to reduce the price of its products. FLUENT is unable to predict the likelihood of the

occurrence, duration or severity of such disruptions in the credit and financial markets or adverse global economic conditions. Any general or market-specific economic downturn could have a Material Adverse Effect on FLUENT's business, financial condition, results of operations and cash flow.

Additionally, the U.S. has imposed and may impose additional quotas, duties, tariffs, retaliatory or trade protection measures or other restrictions or regulations and may adversely adjust prevailing quota, duty or tariff levels, which can affect both the materials that FLUENT uses to package its products and the sale of finished products. For example, the tariffs imposed by the U.S. on materials from China are impacting materials that FLUENT imports for use in packaging in the U.S. Measures to reduce the impact of tariff increases or trade restrictions, including geographical diversification of FLUENT's sources of supply, adjustments in packaging design and fabrication or increased prices, could increase its costs, delay its time to market and/or decrease sales. Other governmental action related to tariffs or international trade agreements has the potential to adversely impact demand for FLUENT's products and its costs, customers, suppliers and global economic conditions and cause higher volatility in financial markets. While FLUENT reviews existing and proposed measures to seek to assess the impact of them on its business, changes in tariff rates, import duties and other new or augmented trade restrictions could have a number of negative impacts on its business, including higher consumer prices and reduced demand for its products and higher input costs.

Future disruptions and volatility in global financial markets and declining consumer and business confidence, including as a result of a pandemic, wars and conflicts (including the war in Ukraine and the conflict in the Middle East), heightened inflation and central banks' large interest rate hikes, economic downturns or increased recession fear, leading to a declining level of commercial activity, could lead to decreased levels of consumer spending and could have a negative impact on FLUENT's financial condition. FLUENT's operations could be affected by the economic context should the unemployment level, interest rates or inflation reach levels that influence consumer trends and spending and, consequently, impact FLUENT's sales and profitability. These macroeconomic developments could negatively impact FLUENT's business, which depends on the general economic environment and levels of consumer spending. As a result, FLUENT may not be able to maintain its existing customers or attract new customers, or FLUENT may be forced to reduce the price of its products. FLUENT is unable to predict the likelihood of the occurrence, duration, or severity of such disruptions in the credit and financial markets and adverse global economic conditions. Any general or market-specific economic downturn could have a Material Adverse Effect on FLUENT's business, financial condition, results of operations, and cashflow.

Environmental Risks

Environmental Regulation

FLUENT's operations are subject to environmental regulation in the various jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors (or the equivalent thereof) and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect FLUENT's operations.

Government approvals and permits are currently, and may in the future, be required in connection with FLUENT's operations. To the extent such approvals are required and not obtained, FLUENT may be curtailed or prohibited from its proposed production of medical marijuana or from proceeding with the development of its operations as currently proposed.

Failure to comply with applicable laws, regulations and permitting 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. FLUENT 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.

Amendments to current laws, regulations and permits governing the production of marijuana, or more stringent implementation thereof, could have a material adverse impact on FLUENT and cause increases in expenses, capital expenditures or production costs or reduction in levels of production or require abandonment or delays in development.

Unknown Environmental Risks

There can be no assurance that FLUENT will not encounter hazardous conditions at the facilities where it operates its businesses, including, without limitation, its medical cannabis cultivation and dispensary facilities, such as asbestos or lead, in excess of expectations that may delay the development of its businesses. Climate change or significant weather events may accelerate or exacerbate environmental conditions in ways that adversely affect the business due to potential negative effects on agricultural conditions, increased difficulty in construction projects to support its operations. Upon encountering a hazardous condition, work at the facilities of FLUENT may be suspended. The presence of other hazardous conditions may require significant expenditure of FLUENT's resources to correct the condition. Such conditions could have a material impact on the investment returns of FLUENT.

Risks Relating to the Business Structure and Securities

Status as a Holding Company

FLUENT is a holding company as substantially all of its assets consist of shares in the capital stock of its Subsidiaries in each of the markets FLUENT operates in and/or holds licenses in the adult use and/or medicinal cannabis marketplace in Florida, New York and Texas; and FLUENT has no material assets other than: (i) cash on hand; and (ii) ownership of its Subsidiaries, stakes in joint ventures and minority interests in certain operating companies. As a result, investors in FLUENT are subject to the risks attributable to its Subsidiaries. As a holding company, FLUENT conducts substantially all of its business through its Subsidiaries, which generate substantially all of its revenues. Consequently, FLUENT's cash flows and ability to complete current or desirable future enhancement opportunities are dependent on the earnings of its Subsidiaries and the distribution of those earnings to FLUENT. To the extent that FLUENT requires funds, and its Subsidiaries and such other entities are restricted from making such distributions by applicable law, regulation or contract, or are otherwise unable to provide such funds, it could materially adversely affect FLUENT's liquidity and financial condition, as well as its ability to make distributions to its shareholders. In the event of bankruptcy, liquidation, or reorganization of any of FLUENT's material Subsidiaries, holders of indebtedness and trade creditors may be entitled to payment of their claims from the assets of those Subsidiaries before FLUENT.

Concentrated Voting Control

As of the Record Date, William Smith, FLUENT's Executive Chair and a director, has ownership and control, directly or indirectly, of 1,421,538, or 58.0%, of the Proportionate Voting Shares and 64,189,527, or 10.5%, of the Common Shares. As a result, Mr. Smith currently controls, directly or indirectly, 12.3% of the votes attached to the issued and outstanding Common Shares (on an as-converted basis) and exercises significant influence over FLUENT and its Subsidiaries. In addition, Mr. Smith and his affiliates hold certain securities of FLUENT that are exercisable or convertible into Common Shares, including the Smith Convertible Note. Assuming full conversion of the Smith Convertible Note into Common Shares, including the full amount of the anticipated accrued interest over the life of the Smith Convertible Note, Mr. Smith would be entitled to receive 60,026,535 Common Shares, representing an aggregate of 138,431,442 Common Shares (approximately 19.8% of FLUENT's outstanding shares) on a partially diluted and as-converted basis based on the shares outstanding as of the date hereof. The Common Shares are entitled to one vote per Common Share and the Proportionate Voting Shares are entitled to ten votes per Proportionate Voting Share.

As of the Record Date, The Hawthorne Collective held 153,069,395 Common Shares, representing 25.0% of the Common Shares and 24.0% of the voting rights attached to the outstanding FLUENT Shares.

Subject to certain protections contained in the Investor Rights Agreements, the Smith Group and The Hawthorne Collective would have the ability to substantially influence matters affecting Shareholders or requiring Shareholder approval, including the election of directors, amendments to the FLUENT Articles and bylaws of FLUENT, and the determination of significant corporate actions. In addition, pursuant to the terms of the Investor Rights Agreements, the Smith Group and The Hawthorne Collective, as applicable, have certain nomination rights, including the right to nominate up to two directors on the Board provided, however, that (i) the number of nominees will be reduced to one if The Hawthorne Collective or the Smith Group's beneficial ownership is less than 5% of FLUENT and (ii) The Hawthorne Collective or the Smith Group will not have any nomination rights if The Hawthorne Collective or the Smith Group ceases to own the Beneficial Ownership Requirement.

There can be no assurance that the interests of the Smith Group and The Hawthorne Collective or its affiliates will align with FLUENT's interests or the interests of other Shareholders. In addition, such influence could limit the price that an acquirer might be willing to pay in the future for FLUENT, which may have the effect of delaying or preventing a change of control of FLUENT, such as an arrangement, amalgamation or take-over bid. The significant interest in FLUENT that is held by the Smith Group and The Hawthorne Collective may also impact the liquidity of the Common Shares. The Common Shares may be less liquid and trade at a discount relative to the trading that could occur in circumstances where the Smith Group and The Hawthorne Collective did not have the ability to significantly influence or determine matters affecting FLUENT.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors and officers of FLUENT also holding positions as directors or officers of other companies. They may also engage in and invest in businesses, including in the cannabis sector, that compete directly or indirectly with FLUENT or act as customers or suppliers of FLUENT. Some of the individuals that are directors and officers of FLUENT have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of FLUENT will be in direct competition with FLUENT. Conflicts, if any, will be subject to the procedures and remedies provided under the OBCA.

To the best of FLUENT's knowledge, other than as disclosed elsewhere in this Circular, there are no known existing or potential material conflicts of interest among FLUENT or a subsidiary of FLUENT and a director or officer of FLUENT or a subsidiary of FLUENT as a result of their outside business interests except that: (i) certain of FLUENT's or its Subsidiaries' directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to FLUENT and their duties as a director or officer of such other companies, and (ii) certain of FLUENT's or its Subsidiaries' directors and officers have portfolio investments consisting of minority stakes in businesses that may compete directly or indirectly with FLUENT or act as a customer of, or supplier to, FLUENT. For more information regarding potential conflicts of interests, see "*Interests of Management and Others in Material Transactions*" below.

Sales of Substantial Amounts of Common Shares

Sales of a substantial number of Common Shares in the public market could occur at any time either by existing holders of Common Shares or by holders of the Proportionate Voting Shares and Non-Voting Shares that are convertible into Common Shares. These sales, or the market perception that the holders of a large number of Common Shares or Proportionate Voting Shares intend to sell Common Shares, could reduce the market price of the Common Shares. If this occurs and continues, it could impair FLUENT's ability to raise additional capital through the sale of securities or make acquisitions the consideration of which would be partly or entirely paid in securities of FLUENT, which may impact FLUENT's financial condition or growth strategy.

Volatility of the Market Price for the Common Shares

The market price for the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which will be beyond our control, including, but not limited to, the following: (i) actual or anticipated fluctuations in our quarterly results of operations; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of companies in the cannabis industry; (iv) additions or departures of our executive officers and other key personnel; (v) release or expiration of transfer restrictions on our issued and outstanding shares; (vi) regulatory changes affecting the cannabis industry generally and our business and operations; (vii) announcements by FLUENT and its competitors of developments and other material events; (viii) fluctuations in the costs of vital production materials and services; (ix) changes in global financial markets and global economies and general market conditions, such as inflation, interest rates and product price volatility, as well as health crisis, severe weather events, or armed conflicts; (x) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving FLUENT or its competitors; (xi) operating and share price performance of other companies that investors deem comparable to FLUENT or from a lack of market comparable companies; (xii) false or negative reports issued by individuals or companies who have taken aggressive short sale positions; and (xiii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in our industry or target markets.

Financial markets have experienced significant price and volume fluctuations that have 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 those companies. Accordingly, the market price of the Common Shares may decline even if FLUENT's results of operations, underlying asset values or prospects have not changed.

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, FLUENT's operations could be adversely impacted, and the trading price of the Common Shares may be materially adversely affected.

Liquidity Risks with the Common Shares

FLUENT understands that many major securities clearing firms in the U.S. refuse to facilitate transactions related to securities of Canadian public companies involved in the marijuana industry. This is due to the fact that marijuana continues to be listed as a controlled substance under U.S. Federal Law, with the result that marijuana-related practices or activities, including the cultivation, possession or distribution of marijuana, are illegal under U.S. Federal Law. Accordingly, U.S. residents who acquire Common Shares as "restricted securities" may find it difficult – if not impossible – to resell such shares over the facilities of any Canadian stock exchange on which the Common Shares may then be listed including the CSE. It remains unclear what impact, if any, this and any future actions among market participants in the U.S. will have on the ability of U.S. residents to resell any Common Shares that they may acquire in open market transactions.

The Common Shares currently trade on the CSE and are quoted on the OTCQB Venture Market. FLUENT cannot predict at what prices the Common Shares will continue to trade, and there is no assurance that an active trading market will be sustained. The liquidity of any market for the Common Shares will depend on a number of factors, including, but not limited to, the number of shareholders, FLUENT's operating performance and financial condition, the market for similar securities, the extent of coverage by securities or industry analysts, and the interest of securities dealers in trading the Common Shares. The Common Shares do not currently trade on any U.S. national securities exchange. In the event Common Shares begin trading on any U.S. national securities exchange, FLUENT cannot predict at what prices the Common Shares will trade and there is no assurance that an active trading market will develop or be sustained. There is a significant liquidity risk associated with an investment in the Common Shares.

Trading in securities quoted on the OTC Markets is often thin and characterized by wide fluctuations in trading prices, due to many factors, some of which may have little to do with FLUENT's financial results, operations or business prospects. This volatility could depress the market price of Common Shares for reasons unrelated to operating performance or financial results. Moreover, the OTC Markets is not a U.S. national securities exchange, and trading of securities quoted on the OTC Markets is often more sporadic than the trading of securities listed on a U.S. national securities exchange like the Nasdaq or the New York Stock Exchange. These factors may result in investors having difficulty reselling Common Shares on the OTC Markets.

The Market for the Common Shares May be Limited for Holders of Securities Who Live in the U.S.

Given the heightened risk profile associated with cannabis in the U.S., capital markets participants may be unwilling to assist with the settlement of trades for U.S. resident securityholders of companies with operations in the U.S. cannabis industry, which may prohibit or significantly impair the ability of securityholders in the U.S. to trade FLUENT's securities. In the event residents of the U.S. are unable to settle trades of FLUENT's securities, this may affect the pricing of such securities in the secondary market, the transparency and availability of trading prices and the liquidity of these securities.

Shareholders Have Little or No Rights to Participate in Business Affairs

With the exception of the limited rights of shareholders under applicable Canadian laws, the day-to-day decisions regarding the management of FLUENT's affairs will be made exclusively by the Board and executive officers of FLUENT. Shareholders will have little or no control over future business and investment decisions, business, and affairs, including the selection and investment in licensees, dispensaries, cultivation operations and real estate. FLUENT may also retain consultants, advisors and agents to provide various services, over which Shareholders will have no control. There can be no assurance that the Board, officers, advisors or agents will effectively manage and direct FLUENT's affairs.

Enforcement against Directors and Officers outside of Canada

Certain of FLUENT's directors and officers reside outside of Canada. Some or all of the assets of such persons may be located outside of Canada. Therefore, it may not be possible for Shareholders to collect or to enforce judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable Canadian securities laws against such persons. Moreover, it may not be possible for Shareholders to effect service of process within Canada upon such persons. Courts in the U.S. may refuse to hear a claim based on a violation of Canadian securities laws on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a U.S. court agrees to hear a claim, it may determine that the local law, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process.

The Non-Voting Shares have Different Rights from the Common Shares and There may Never be a Trading Market for the Non-Voting Shares

There are important differences between the rights of the Common Shares and the Non-Voting Shares. While each Non-Voting Share is convertible into a Common Share, the Non-Voting Shares do not carry voting rights and have equivalent, but not identical, rights to receive dividends. For example, holders of Non-Voting Shares will not be able to exercise voting rights at meetings of Shareholders. The differences between the rights of holders of the Non-Voting Shares and Common Shares are significant and may materially and adversely affect the market value of an investment in FLUENT.

Presently, there are no plans to list the Non-Voting Shares on a securities exchange or in the over-the-counter market, and there is not expected to be a market for trading of the Non-Voting Shares. Thus, persons holding Non-Voting Shares will likely have no ability to sell their Non-Voting Shares and will likely have to exchange them for Common Shares in order to have any liquidity.

Tax Risks

Changes in Tax Law

There can be no assurance that the Canadian and U.S. federal income tax treatment of FLUENT or an investment in FLUENT will not be modified, prospectively or retroactively, by legislative, judicial or administrative action, in a manner adverse to FLUENT or shareholders.

In recent years, many changes to U.S. federal income tax laws have been proposed and made, and additional changes to U.S. federal income tax laws are likely to continue to occur in the future. The U.S. Congress is currently considering numerous items of legislation which may be enacted prospectively or with retroactive effect, which legislation could adversely impact FLUENT's financial performance and the value of the Common Shares. Additionally, states in which FLUENT operates or owns assets may impose new or increased taxes. If enacted, most of the proposals would be effective for the current or later years. The proposed legislation remains subject to change, and its impact on FLUENT and purchasers of the Common Shares is uncertain.

Application of Section 280E of the U.S. Tax Code

Section 280E of the U.S. Tax Code, as amended prohibits businesses from deducting certain expenses for U.S. federal income tax purposes associated with trafficking controlled substances (within the meaning of Schedule I and II of the CSA).

On April 23, 2026, DOJ and the DEA announced the Medical Rescheduling Order. The rescheduling of medical cannabis products is expected to have a meaningful beneficial impact on the tax positions taken by FLUENT with respect to its medical marijuana business. However, significant uncertainty remains as to whether the announced hearing on potentially broader rescheduling would benefit FLUENT's adult-use cannabis business.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

In the ordinary course of business, FLUENT may become involved in various legal, administrative, regulatory and other proceedings, actions, claims and inquiries relating to its business. Except as disclosed below or elsewhere in this Circular, FLUENT is not aware of any actual or pending legal proceedings material to FLUENT to which FLUENT is or was a party to, or that any of its property is or was the subject of, since the beginning of FLUENT's most recently completed financial year. In addition, FLUENT is not currently aware of any such legal proceedings being contemplated.

On February 18, 2022, CIGN, LLC and CIGN Real Estate, LLC (collectively, "**CIGN**") initiated an action against Freedom Town and Fluent Servicing for breach of contract related to a lease agreement dated effective June 15, 2021, between CIGN and Fluent Servicing for a greenhouse and surrounding property in Homestead, Florida (the "**CIGN Lease**"), a services agreement between CIGN and Freedom Town (the "**CIGN Service Agreement**") and a guaranty between Fluent Servicing and CIGN, which guarantees the payment obligations of Freedom Town under the CIGN Service Agreement (collectively, the "**CIGN Matter**"). The plaintiff CIGN is bringing five counts in their complaint: (i) Breach of Contract – CIGN Service Agreement; (ii) Anticipatory Breach of Contract - CIGN Service Agreement; (iii) Breach of Contract – CIGN Lease; (iv) Anticipatory Breach of Contract – CIGN Lease; and (v) Breach of Contract – payment guaranty. The complaint concerns the CIGN Lease. Freedom Town was to operate the facility under a FTH Management Agreement with Fluent Servicing, and in a separate CIGN Services Agreement, CIGN was to assist Freedom Town in fulfilling its obligations to Fluent Servicing under the FTH Management Agreement; Freedom Town's obligations under the CIGN Service Agreement were guaranteed by Fluent Servicing. Subsequent to entering into these agreements, Fluent Servicing tested materials being grown at the facility, as well as the facility itself, which tests revealed the presence of pesticides and various heavy metals that are legally prohibited in products sold by Fluent Servicing. By the end of December 2021, the parties were unable to determine the exact source of the contamination, but it had become clear that the facility was

incapable of producing sellable products sufficiently free from prohibited contaminants. Fluent Servicing eventually terminated all of the agreements with CIGN. The plaintiffs are seeking accelerated rent for the remainder of the lease term, being \$511,200, and have also sued for breach of the CIGN Service Agreement and are seeking \$17,893,630 in damages. Fluent Servicing and Freedom Town have since filed seven counterclaims and third-party claims grounded in contract and fraud. The trial is currently set for September 2026.

On April 2, 2025, KDBF Ventures, LLC ("**KDBF**") filed an action by Order to Show Cause alleging that Etain, LLC breached the parties' lease and seeking, among other things, a court order requiring Etain, LLC to allow KDBF to inspect the premises in accordance with the lease. Prior to KDBF filing this action, and in accordance with the parties' past practice, Etain, LLC agreed to facilitate KDBF's inspection provided that KDBF sign a standard confidentiality agreement. This was necessary because the parties' previous confidentiality agreement had expired. On April 10, 2025, Etain, LLC filed a related action to prevent KDBF from attempting to terminate the lease while the action is proceeding. Etain, LLC also alleged that KDBF had violated the implied covenant of good faith and fair dealing. The court heard oral argument on the motions for a preliminary injunction on May 9, 2025, and issued a decision on the motions October 3, 2025. As a result of the decision, KDBF is permitted to inspect the premises in accordance with the parties' lease, provided that KDBF is subject to certain confidentiality protections requested by Etain, LLC. In all other respects, the court held that KDBF had not shown that it was likely to succeed in showing that Etain, LLC breached the parties' lease. The court also granted Etain, LLC's motion for a preliminary injunction prohibiting KDBF from attempting to terminate the lease on any of the grounds identified in the notice of default that triggered the dispute. KDBF has filed a motion asking that the court reconsider its decision on the parties' cross motions, which Etain, LLC opposed. KDBF also filed appeals in the Appellate Division challenging the trial court's preliminary injunction decision. No appellate proceedings have occurred. The parties are currently in the early stages of discovery. Initial documents have been exchanged but no depositions have been taken.

Etain New Jersey LLC, an entity controlled by the Peckham family (which also controls KDBF Ventures, LLC), filed a breach of contract action alleging that Etain breached the parties' license agreement, breached the implied covenant of good faith and fair dealing, and fraudulently induced Etain New Jersey into signing a tolling agreement. In effect, Etain New Jersey LLC is seeking a determination that Etain breached a provision of the license agreement and that, as a result, Etain New Jersey LLC has the right to repurchase the "Etain" brand (which includes the Etain trademark applications and registrations acquired from the Peckham family as part of the Etain acquisition in 2022) for \$10. Etain New Jersey LLC seeks judgment as follows: (1) ordering specific performance of Etain's obligation to tender the Etain Brand under Section 5.2 of the license agreement; (2) in the alternative, for a judicial declaration confirming that defendants are in breach of such contractual obligations and an award of monetary damages, including all interest thereon; (3) an order rescinding the tolling agreement; (4) awarding costs, including reasonable attorneys' and expert witness fees and other costs; and (5) awarding any other relief. The parties are in early stages of the action, and have had early settlement discussions.

On December 28, 2025, The Doc App Inc. filed a complaint in Circuit Court in Collier County, Florida against Consortium Florida, LLC and 13 other defendants, seeking monetary damages and injunctive relief. The plaintiff purports to "operate a medical marijuana physician network and patient certification service" for a fee, and the primary allegations stem from the defendant Leafwell's advertisement of free certifications for patients and the other Defendants' participation in same. Consortium Florida, LLC is named as a Defendant for alleged violation of Fla. Stat. § 381.986(1)(h), violation of the Florida Patient Brokering Act, civil conspiracy, and unjust enrichment. At this time, no specific damages have been demanded by the plaintiff.

On March 11, 2026, AASEA7 LLC, delivered a notice of default under a commercial lease dated October 29, 2018 to Fluent Servicing alleging non-payment of certain rent and related charges and asserting that operations at the premises had ceased. On May 15, 2026, the landlord commenced an eviction proceeding in Miami-Dade County seeking possession of the premises and related relief. Negotiations are underway to resolve this matter.

On February 25, 2026, NAVAL, LLC, delivered a notice asserting alleged defaults under a commercial lease dated November 1, 2023 to Fluent Servicing and FLUENT (formerly known as Cansortium Inc.), based on alleged non-payment of rent and abandonment of the premises and purporting to terminate the lease. On March 23, 2026, the landlord filed an action in Miami-Dade County seeking damages, including accelerated rent and other amounts alleged to be owing under the lease and related guaranty. The landlord filed an Amended Complaint on June 10, 2026, changing the name of the guarantor in the introductory paragraph (although not elsewhere in the Amended Complaint) from FLUENT (formerly known as Cansortium Inc.) (which appears in the written Guaranty) to Cansortium Florida, LLC. There is not yet a deadline to answer.

On February 19, 2026, SSC Holdings, LLC delivered a notice alleging defaults under the lease agreement dated December 5, 2017, as amended, to Fluent Servicing and Cansortium Holdings, including alleged failure to continuously operate at the premises and non-payment of rent. On March 17, 2026, FLUENT received notice that the landlord filed an action in Miami-Dade County, seeking damages, including alleged unpaid rent, accelerated rent and amounts claimed under a related guaranty. On May 26, 2026, counsel for SSC Holdings, LLC sent a demand letter asserting projected damages at trial of \$900,000 (assuming SSC Holdings, LLC is unable to relet the premises to a new tenant), or \$550,000 (assuming the SSC Holdings, LLC obtains a new tenant within the next 12 months). SSC Holdings, LLC has demanded that an offer consistent with these figures is made, failing which it plans to file a motion for summary judgment. An offer to settle has not been made as of the date hereof.

Regulatory Actions

To the best of FLUENT's knowledge, FLUENT is not currently a party to any regulatory investigation or proceeding or subject to any potential penalty or sanction, individually or in the aggregate, relating to securities legislation, which is likely to have a Material Adverse Effect on the business, operations or financial condition of FLUENT as a whole. Further, FLUENT has not entered into any settlement agreements before a court or regulatory authority relating to securities legislation during the three years before the date of the Circular.

INTERESTS OF FLUENT MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set out below, as disclosed elsewhere in this Circular and in the consolidated financial statements of FLUENT for the financial year ended December 31, 2025, to the best of FLUENT's knowledge, no director or executive officer of FLUENT or persons or companies who directly or indirectly beneficially own, or exercise control or direction over, more than 10% of any class of FLUENT's outstanding voting securities, nor any associate or affiliate of the foregoing persons, has or has had any material interest, direct or indirect, in any transaction within the three years before the date of this Circular that has materially affected or is reasonably expected to materially affect FLUENT or a Subsidiary of FLUENT.

Shares for Debt Conversions

FLUENT completed the following shares for debt transactions since June 12, 2023: (i) on November 10, 2023, FLUENT issued an aggregate of 1,184,207 Common Shares at a price of \$0.095 per Common Share in settlement of accrued director's fees owing for the period of July 1, 2023 to September 30, 2023, in the aggregate amount of \$112,500 (the "**Q3 2023 Fees**"); (ii) on September 5, 2024, FLUENT issued an aggregate of 865,382 Common Shares at a price of \$0.13 per Common Share in settlement of accrued director's fees owing for the period of April 1, 2024 to June 30, 2024, in the aggregate amount of \$112,500 (the "**Q2 2024 Fees**"); (iii) on February 7, 2025, FLUENT issued an aggregate of 1,657,063 Common Shares at a price of \$0.07 per Common Share in settlement of accrued director's fees owing for the period of October 1, 2024 to December 31, 2024, in the aggregate amount of \$116,000 (the "**Q4 2024 Fees**"); and (iv) on July 24, 2025, FLUENT issued an aggregate of 2,750,000 Common Shares at a price of \$0.050 per Common Share in settlement of director fees owing for the period of April 1, 2025 to June 30, 2025, in the aggregate amount of \$137,500 (the "**Q2 2025 Fees**" and together with the Q3 2023 Fees, the Q2 2024 Fees, and the Q2 2025 Fees, the "**Director Fees**"). The settlement of the Director Fees for Common Shares involved "informed persons" in that the following current and former

directors of FLUENT settled amounts of their director fees: Roger Daher, John McKimm, Mark Eckenrode, John Mazarakis, William Smith, Richard Mavrinac, Chris Hagedorn, and Dawn Sweeney, as applicable.

The Smith Transaction

On May 30, 2024, in connection with the 2024 Arrangement, FLUENT and certain of its affiliates and the Smith Group entered into the Smith Transaction Termination Agreement, which was replaced in its entirety by the Amended Smith Transaction Termination Agreement on November 26, 2024, which among other things, provided for the termination of Smith Transaction Agreement and the Floor Entitlement. See “*General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – 2024 Arrangement - Smith Transaction*” and “*General Development of the Business – Three Year History - Fiscal Year Ended December 31, 2024 – Amended Smith Transaction Termination Agreement*” for more information regarding the Smith Transaction Agreement, the Smith Transaction Termination Agreement and the Amended Smith Transaction Termination Agreement.

Commercial Lease in Tampa, Florida

On January 8, 2024, as amended on May 8, 2024, FLUENT entered into the Rosa Lease. Nittany Management, LLC, is owned by William Smith, a director and the Executive Chair of FLUENT. See “*Information Concerning Fluent - General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2024 – Commercial Lease in Tampa, Florida*” for further details on the Rosa Lease.

Legal Fees

During the years ended December 31, 2024 and 2023, FLUENT engaged Litvak Beasley Wilson & Ball, LLP, to represent FLUENT on various legal matters. FLUENT's former chief executive officer, Robert Beasley, was also a partner at Litvak Beasley Wilson & Ball, LLP during this time. Services performed by Litvak Beasley Wilson & Ball, LLP included litigation, regulatory and general counsel services. Services were provided in normal commercial terms; Robert Beasley did not participate in the legal services rendered. During the financial year ended December 31, 2024, FLUENT paid legal expenses of \$479,000 to Litvak Beasley Wilson & Ball, LLP. During the years ended December 31, 2025 and 2024, FLUENT recognized legal expenses of \$307,000 and \$479,000, respectively. At December 31, 2025, FLUENT had a balance outstanding of \$16,000 due to Litvak Beasley Wilson & Ball, LLP.

2025 Private Placement

On September 6, 2025, FLUENT completed a non-brokered private placement offering 3,500,000 Common Shares at a price of \$0.06 per Common Share for aggregate gross proceeds of \$210,000. The private placement was completed solely with FLUENT's Interim Chief Executive Officer, David Vautrin, in connection with his employment agreement with FLUENT.

See “*Interests of Certain Persons or Companies in the Arrangement*” and “*Other Information – Interest in Meeting Business and Material Transactions*” in the body of the Circular for a description of the interests that directors and senior officers of FLUENT may have in the Arrangement.

AUDITORS

The auditors of FLUENT are PKF O'Connor Davies LLP, 245 Park Avenue, New York, New York 10167, United States of America. PKF O'Connor Davies LLP is independent of FLUENT within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

REGISTRAR AND TRANSFER AGENT

The transfer agent and registrar for the Common Shares and Proportionate Voting Shares is Odyssey at its office at 702 – 67 Yonge Street, Toronto, Ontario M5E 1J8.

MATERIAL CONTRACTS

This Circular includes a summary description of certain material agreements of FLUENT. The summary description discloses all attributes FLUENT believes to be material to an investor in securities of FLUENT but is not complete and is qualified by reference to the terms of the material agreements, which have been filed under either FLUENT's profile on SEDAR+, as applicable, at www.sedarplus.ca.

Except as otherwise disclosed in this Circular and as set out below, FLUENT did not enter into any material contracts on or after January 1, 2025, or before the twelve months ended December 31, 2025, that are still in effect, other than in the ordinary course of business:

- (i) the FLUENT Credit Agreement, see "*General Development of the Business – Three Year History - Fiscal Year Ended December 31, 2024 – First Credit Agreement Amendment*" and *General Development of the Business – Three Year History – Recent Developments*" for details;
- (ii) the Amended Smith Transaction Termination Agreement, see "*General Development of the Business – Three Year History - Fiscal Year Ended December 31, 2024 – Amended Smith Transaction Termination Agreement*" for details;
- (iii) the Hawthorne Investor Rights Agreement, see "*General Development of the Business – Three Year History - Fiscal Year Ended December 31, 2024 – The Transaction – Investor Rights Agreements*" for details;
- (iv) the Smith Investor Rights Agreement, see "*General Development of the Business – Three Year History - Fiscal Year Ended December 31, 2024 – The Transaction – Investor Rights Agreements*" for details;
- (v) the Equity Purchase Agreement, see "*General Development of the Business – Three Year History – Fiscal Year Ended December 31, 2025 – Sale of Pennsylvania Operations*" for details;
- (vi) Arrangement Agreement dated April 29, 2026, as amended on June 8, 2026, between FLUENT and Vireo;
- (vii) Support Agreements dated April 29, 2026, between FLUENT, Vireo and each of the Smith Group and Bad Dog Holdings LLC; and
- (viii) the Texas Purchase Agreement, see "*General Development of the Business – Three Year History – Recent Developments*" for details.

Copies of all material agreements referred to in this Circular are available on FLUENT's SEDAR+ profile at www.sedarplus.ca.

INTERESTS OF EXPERTS

The Annual Financial Statements incorporated by reference in this Circular have been audited by PKF O'Connor Davies, LLP, as stated in their reports which are also incorporated by reference herein. PKF O'Connor Davies, LLP has advised FLUENT that they are independent of FLUENT in accordance with the Chartered Professional Accountants of Ontario Rules of Professional Conduct.

ATB Cormark is named as having prepared or certified a report, statement or opinion in this Circular, specifically its fairness opinion. See "*The Arrangement – Fairness Opinion*" in the Circular. Except for the fees to be paid to ATB Cormark, none of which are contingent on completion of the Arrangement, to the knowledge of FLUENT, none of the foregoing financial advisors, the directors, officers, employees and partners, as applicable, or their respective associates or affiliates, beneficially owns, directly or indirectly, 1% or more of the securities of FLUENT or any associate or affiliate of FLUENT, has received or will receive any direct or indirect interests in the property of FLUENT or any of its associates or affiliates, or is expected

to be elected, appointed or employed as a director, officer or employee of FLUENT or any associate or affiliate thereof.

OTHER MATERIAL FACTS

There are no material facts relating to FLUENT other than as disclosed herein that are necessary to be disclosed for this Circular to contain full, true and plain disclosure of all material facts.

Appendix F-1**STATEMENT OF EXECUTIVE COMPENSATION OF FLUENT CORP.****General**

This Statement of Executive Compensation is presented in accordance with Form 51-102F6 – *Statement of Executive Compensation* (“**Form 51-102F6**”) and sets forth, among other things, all direct and indirect compensation paid by FLUENT to each director and named executive officer (“**NEO**” or “**Named Executive Officer**”) of FLUENT for the financial year ended December 31, 2025. For the purposes of this Statement of Executive Compensation, an NEO or Named Executive Officer includes:

- (a) our Chief Executive Officer (“**CEO**”);
- (b) our Chief Financial Officer (“**CFO**”);
- (c) in respect of FLUENT and its Subsidiaries, each of the most highly compensated executive officers, other than the individuals identified in paragraphs (a) and (b), at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was not an executive officer of FLUENT or its Subsidiaries and was not acting in a similar capacity, at the end of the financial year.

In this Statement of Executive Compensation, all dollar amounts referenced, unless otherwise indicated, are expressed in United States dollars.

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about FLUENT’s executive compensation objectives and processes and to discuss compensation decisions relating to its NEOs.

The Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of FLUENT. In determining executive compensation, the Board considers FLUENT’s financial circumstances at the time decisions are made regarding executive compensation, and also the anticipated financial situation of FLUENT in the mid-term and long-term.

The Board’s responsibilities relating to the compensation and retention of Named Executive Officers include, but are not limited to:

- setting policies for Named Executive Officers’ remuneration;
- reviewing and approving salary, bonus, and other benefits, direct or indirect, and any change-of-control packages of the CEO;
- considering the recommendations of the CEO and setting the terms and conditions of employment including, approving the salary, bonus, and other benefits, direct or indirect, and any change-of-control packages, of the Named Executive Officers of FLUENT; and
- overseeing the administration of FLUENT’s compensation plans, including the FLUENT Option Plan, FLUENT RSU Plan and such other compensation plans or structures as are adopted by FLUENT from time to time.

The following executive compensation principles guide the Board in fulfilling its roles and responsibilities in the design and ongoing administration of FLUENT’s executive compensation program:

- compensation levels and opportunities must be market competitive to attract and retain qualified and experienced executives, while being fair and reasonable to Shareholders;
- compensation must incorporate an appropriate balance of short-term and long-term rewards; and
- compensation programs must align executives' long-term financial interests with those of Shareholders by providing equity-based incentives.

FLUENT does not have formal benchmarks for assessing and setting executive compensation. However, FLUENT reviews compensation programs of companies in its peer group to ensure that executive compensation is within the parameters of companies of a similar size and within the same industry. Levels of compensation are also established and maintained with the intent of attracting and retaining superior quality employees while ensuring that the levels are not contrary to the interests of Shareholders.

FLUENT's general executive compensation philosophy is to, whenever possible, pay its Named Executive Officers "base" compensation in the form of salaries that are competitive in comparison to those earned by executive officers holding comparable positions with other entities similar to FLUENT, while at the same time providing its Named Executive Officers with the opportunity to earn additional compensation through the FLUENT Option Plan and other equity-based compensation structures as may be approved by Shareholders.

FLUENT's executive compensation program is designed to encourage, compensate and reward employees on the basis of individual and corporate performance, both in the short-term and the long term. For NEOs, the compensation program is designed to provide a larger portion of variable incentives tied to corporate performance. NEO compensation includes base salary, bonus and benefits, and equity-based compensation. Salaries are a base level of compensation designed to attract and retain executive officers with the appropriate skills and experience. Option grants through the FLUENT Option Plan and other equity-based compensation are designed to provide incentives to increase shareholder value over the longer-term and thereby better align executive compensation with the interests of Shareholders.

Each element of executive compensation is carefully considered by the Board to ensure that there is the right mix of short-term and long-term incentives for the purposes of achieving FLUENT's goals and objectives.

Base Salary

An NEO's base salary is intended to remunerate the NEO for discharging job responsibilities and reflects the executive's performance over time. Individual salary adjustments take into account performance contributions in connection with their specific duties. The base salary of each Named Executive Officer is determined by the Board based on an assessment by the Board of his or her sustained performance and consideration of competitive compensation levels for the markets in which FLUENT operates. In making its determinations, the Board also considers the particular skills and experience of the individual. A final determination on executive compensation, including salary, is made by the Board in its sole discretion and its knowledge of the industry and geographic markets in which FLUENT operates, as well as FLUENT's long-term strategy.

Base salaries are reviewed annually to ensure that they properly reflect a balance of market conditions, the levels of responsibilities and accountability of each individual, their unique experience, skills and capability and level of sustained performance.

Equity Based Awards

Equity-based awards are a variable element of compensation that allows FLUENT to incentivize and retain its executive officers for their sustained contributions to FLUENT. Equity awards reward performance and continued employment with FLUENT. The equity awards included in FLUENT's compensation structure include Options and RSUs.

For a description of the terms of the FLUENT Option Plan and FLUENT RSU Plan, including who is entitled to Options and RSUs, vesting terms, settlement, and other relevant terms, see “*The FLUENT Option Plan*” and “*The FLUENT RSU Plan*” below.

The Options component of Named Executive Officers’ compensation is intended to advance the interests of FLUENT by encouraging the directors, officers, employees and consultants of FLUENT to remain associated with FLUENT and providing them with additional incentive in their efforts on behalf of FLUENT in the conduct of its affairs. Grants under the FLUENT Option Plan are intended to provide long term awards linked directly to the market value performance of the Common Shares. The Board reviews management’s recommendations and Options are granted according to the specific level of responsibility of the particular executive and the number of Options for each level of responsibility is determined by the Board.

The FLUENT RSU Plan is designed to be a long term incentive for the directors, officers, consultants, contractors and other key employees of FLUENT. RSUs provide FLUENT with an additional compensation tool to help retain and attract highly qualified directors, officers, consultants, contractors and employees.

The number of outstanding Options and RSUs are considered by the Board when determining the number of Options to be granted in any particular year due to the limited number of Options and RSUs, on a collective basis, which are available for grant under the FLUENT Option Plan and FLUENT RSU Plan, respectively.

As of the financial year ended December 31, 2025, there were 21,874,875 Options outstanding under the FLUENT Option Plan and 210,000 RSUs outstanding under the FLUENT RSU Plan. As of the Record Date, there were 15,958,150 Options outstanding under the FLUENT Option Plan and 210,000 RSUs outstanding under the FLUENT RSU Plan.

As of the Record Date, FLUENT has 637,763,019 Common Shares issued and outstanding (assuming the conversion of all outstanding Proportionate Voting Shares into Common Shares), so the aggregate number of Common Shares available for issuance under the FLUENT Option Plan and FLUENT RSU Plan, on a collective basis, is 47,608,151 Common Shares.

Pursuant to the terms of the Arrangement Agreement, all Options will accelerate in full and be terminated immediately prior to the Effective Time and all RSUs will vest and be settled in exchange for one Common Share, in each case, immediately prior to the Effective Time. See “*The Arrangement – Principal Steps of the Arrangement*” and “*The Arrangement – Treatment of Convertible Securities*”, for further information.

The FLUENT Option Plan

FLUENT has adopted a 10% “rolling” FLUENT Option Plan dated effective March 17, 2019 and last approved by the Shareholders on August 16, 2023 for a further three years, in accordance with the policies of the CSE. The FLUENT Option Plan was established to provide incentives to increase individual performance and shareholder value, and to assist with the retention of directors, officers, employees and consultants. The following provides a summary of the principal features of the FLUENT Option Plan, a copy of which is available under FLUENT’s SEDAR+ profile at www.sedarplus.ca. Capitalized terms used in this section but not defined have the meanings ascribed to them in the FLUENT Option Plan.

The FLUENT Option Plan is considered an “evergreen” plan since the Voting Shares covered by Options which have been exercised or which have been cancelled, expired or otherwise terminated for any reason without having been exercised, for any reason, shall be available for subsequent grants under the FLUENT Option Plan and the number of Options available to grant increases as the number of issued and outstanding Common Shares of FLUENT increases. Accordingly, should FLUENT issue additional Voting Shares in the future, the number of Voting Shares issuable under the FLUENT Option Plan will increase accordingly.

The Board may from time to time, in its discretion, and in accordance with CSE requirements, grant to directors, officers, employees and consultants, non-assignable and non-transferable options to purchase Common Shares and Proportionate Voting Shares; provided that the number of the Common Shares reserved for issuance will not exceed 10% of the Outstanding Issue.

The Board or its appointed committee may, in its sole discretion, determine the expiry date(s) of the Options. Incentive Stock Options (Options that qualify as an incentive stock option within the meaning of Section 422(b) of the United States Internal Revenue Code of 1986, as amended) ("**Incentive Stock Options**") granted under the FLUENT Option Plan are exercisable up to five years from the date of grant, so long as the optionee maintains its eligibility under the FLUENT Option Plan. The number of Common Shares reserved for issuance to any one optionee cannot exceed 5% of the Outstanding Issue within any 12-month period, and the number of Common Shares reserved for issuance to any one consultant cannot exceed 2% of the Outstanding Issue within any 12-month period.

Options to purchase Common Shares granted under the FLUENT Option Plan will have an exercise price determined by the Board or a committee of the Board and shall not be less than the "Market Value" (as such term is defined in the FLUENT Option Plan, of a Common Share on the grant date. The Market Value of the Proportionate Voting Shares for a particular grant date shall be the Market Value of the Common Shares multiplied by ten (to reflect the fact that one Proportionate Voting Share is convertible into ten Common Shares). Notwithstanding the foregoing, the exercise price of Voting Shares subject to an Incentive Stock Option granted under the FLUENT Option Plan to a Ten Percent Shareholder Participant (as such term is defined in the FLUENT Option Plan) shall be not less than 110% of the fair market value of the Common Shares or Proportionate Voting Shares, as applicable, on the grant date as determined in good faith by the Board or a committee of the Board at the grant date.

The FLUENT RSU Plan

On May 17, 2021, FLUENT adopted the FLUENT RSU Plan, which was last approved by the Shareholders on August 16, 2023 for a further three years in accordance with the policies of the CSE. The FLUENT RSU Plan is designed to provide certain directors, officers, consultants, contractors and other key employees (an "**Eligible Person**") of FLUENT and its related entities with the opportunity to acquire RSUs of FLUENT. The acquisition of RSUs allows an Eligible Person to participate in the long-term success of FLUENT thus promoting the alignment of an Eligible Person's interests with that of the Shareholders. The Board may appoint a committee to be responsible for administering the FLUENT RSU Plan.

The following provides a summary of the principal features of the FLUENT RSU Plan, a copy of which is available under FLUENT's SEDAR+ profile at www.sedarplus.ca. Capitalized terms used in this section but not defined have the meanings ascribed to them in the FLUENT RSU Plan.

The Governance and Compensation Committee is authorized to grant RSUs to an Eligible Person subject to the terms of the FLUENT RSU Plan. Each vested, whole RSU granted under the FLUENT RSU Plan shall be denominated or payable in Common Shares or, at the option of FLUENT in cash, and shall confer on the holder thereof the right to receive one Common Share from treasury (subject to adjustment in accordance with the FLUENT RSU Plan), upon the completion of certain conditions during such periods as the Governance and Compensation Committee shall establish (with such date on which all such conditions are satisfied and the RSUs fully vested being referred to as the "**Participant's Entitlement Date**"). Subject to the terms of the FLUENT RSU Plan, the conditions to be completed during any period, the length of any period, the amount of any RSU granted, the number of treasury Common Shares receivable pursuant to any RSU and any other terms and conditions of the RSU shall be determined by the Governance and Compensation Committee at the time of grant. A RSU will be subject to an Award Agreement containing such terms and conditions, not inconsistent with the provisions of the FLUENT RSU Plan, as the Governance and Compensation Committee shall determine.

Nature and Administration of the FLUENT RSU Plan

All Eligible Persons are eligible to participate in the FLUENT RSU Plan (as “**Participants**”), and FLUENT reserves the right to restrict eligibility or otherwise limit the number of persons eligible for participation as Participants in the FLUENT RSU Plan. Eligibility to participate as a Participant in the FLUENT RSU Plan does not confer upon any person a right to receive an award of RSUs.

The Board or its appointed committee may, in its sole discretion, define: (i) the time during which an RSU shall vest and whether there shall be any other conditions or performance criteria to vesting; (ii) the method of vesting; or (iii) that no vesting restriction shall exist. In the absence of any determination by the Board or appointed committee to the contrary, RSUs shall vest three years after the date of grant.

RSUs and all other rights, benefits or interests in the FLUENT RSU Plan are non-transferable except to Permitted Assigns (as such term is defined in the FLUENT RSU Plan).

Resignation, Termination or Death

Except as otherwise determined by the Governance and Compensation Committee or as set forth in the applicable Award Agreement (as such term is defined in the FLUENT RSU Plan), upon the termination of a Participant’s employment (as determined under criteria established by the Governance and Compensation Committee), including by way of death, retirement, disability, termination without cause and termination for cause during the term of an RSU, all unvested RSUs held by the Participant shall be forfeited and cancelled; provided, however, that the Governance and Compensation Committee may, if it determines that a waiver would be in the best interest of FLUENT, waive in whole or in part any or all remaining restrictions or conditions with respect to any such RSU.

Control Change

Any unvested RSUs held by a Participant at the time of a Merger and Acquisition Transaction (as defined in the FLUENT RSU Plan) shall immediately vest if either (i) the Participant is either terminated without cause or resigns with good reason (as such term has been defined under common law, including any reason that would be considered to amount to constructive dismissal by a court of competent jurisdiction) from their position with FLUENT within the period ending 12 months from the date of the completion of the Merger and Acquisition Transaction, or (ii) the Governance and Compensation Committee, acting reasonably, determines that an adjustment to the number and type of Common Shares (or other securities or other property) issuable pursuant to an RSU resulting from a Merger and Acquisition Transaction is impractical or impossible. In such an event, the Governance and Compensation Committee shall, acting reasonably, determine the extent to which the Participant met the conditions for vesting of RSUs.

Vesting

The Board has discretion to grant RSUs to Eligible Persons as it determines is appropriate, and can impose conditions on vesting as it sees fit in addition to the performance criteria if any. Vesting occurs on the date set by the Board at the time of the grant or if no date is set then vesting shall be three years following the date of the grant.

Limitations under the FLUENT RSU Plan

Unless permitted otherwise by the rules of the CSE:

- (a) the maximum number of Common Shares which may be issuable to Insiders and Participants that are Insiders within any one year period, under the FLUENT RSU Plan, together with any other share-based compensation arrangement, may not exceed 10% of the Outstanding Issue.
- (b) the maximum number of RSUs that may be granted to any one Eligible Person under the

FLUENT RSU Plan, together with any other share-based compensation arrangement, within a 12-month period, may not exceed 5% of the Outstanding Issue.

Summary Compensation Table

During our financial year ended December 31, 2025, we had the following NEOs:

- David Vautrin – Interim CEO;
- Robert Beasley – Former CEO;
- Patricia Fonseca – CFO;
- Samantha Hymes – Former Executive Vice President;
- Victor Bindi – Chief Operating Officer; and
- Matthew Mundy – Chief Legal Officer.

The following table sets forth the compensation earned by the NEOs for FLUENT's three most recently completed financial years.

Name and Principal position	Year	Salary (\$)	Share-based awards (\$) ⁽¹⁾	Option-based awards (\$) ⁽²⁾	Non-equity incentive Plan compensation (\$)		Pension value (\$)	All other Compensation (\$) ⁽⁵⁾	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
David Vautrin <i>Interim CEO</i>	2025	319,846	Nil	Nil	Nil	Nil	Nil	22,154	342,000
	2024	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Robert Beasley ⁽³⁾ <i>Former CEO</i>	2025	303,846	Nil	Nil	Nil	Nil	Nil	230,769	534,615 ⁽⁴⁾⁽⁹⁾
	2024	496,769	Nil	Nil	Nil	Nil	Nil	107,106	603,875
	2023	441,667	95,000	61,093	175,000	Nil	Nil	Nil	772,760
Patricia Fonseca ⁽⁶⁾ <i>CFO</i>	2025	310,154	Nil	80,000	Nil	Nil	Nil	10,000	400,154
	2024	178,000	Nil	Nil	Nil	Nil	Nil	116,505	294,505
	2023	Nil	Nil	Nil	Nil	Nil	Nil	36,225 ⁽⁶⁾	36,225
	2025	182,896	Nil	Nil	Nil	Nil	Nil	136,731 ⁽⁸⁾	319,627

Samantha Hymes ⁽⁷⁾ <i>Former Executive Vice President</i>	2024	250,000	Nil	Nil	Nil	Nil	Nil	84,185	334,184
	2023	238,269	92,008	Nil	23,219	Nil	Nil	Nil	353,495
Victor Bindi <i>Chief Operating Officer</i>	2025	253,154	Nil	80,000	Nil	Nil	Nil	20,262	353,416
	2024	244,985	Nil	Nil	Nil	Nil	Nil	74,959	319,944
	2023	223,990	57,955	Nil	6,609	Nil	Nil	Nil	288,555
Matthew Mundy <i>Chief Legal Officer</i> ⁽¹⁰⁾	2025	291,843	Nil	80,000	Nil	Nil	Nil	5,596	377,439
	2024	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2023	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Share-based awards do not represent cash received. Share-based awards reflect the market value of FLUENT's Common Shares at the time of issuance.
- (2) Option-based awards do not represent cash received. They represent the fair value of options granted during the period using the Black Scholes pricing model. This method was chosen as it is a recognized standard for valuations.
- (3) Robert Beasley resigned as CEO of FLUENT effective August 6, 2025 and David Vautrin was appointed as Interim CEO on August 6, 2025.
- (4) Other compensation includes \$217,307 paid to Robert Beasley in connection with his departure from FLUENT.
- (5) Total compensation does not include amounts listed under the Schedule F - "Information Concerning Fluent - Interest of Informed Persons in Material Transactions".
- (6) Patricia Fonseca resigned as CFO effective November 21, 2022. Ms. Fonseca subsequently rejoined FLUENT as CFO and Corporate Secretary effective May 13, 2024. Other compensation paid to Mrs. Fonseca in 2023 represents consulting fees paid under a consulting agreement.
- (7) Samantha Hymes was terminated as Executive Vice President of FLUENT on August 11, 2026.
- (8) Other compensation includes \$128,823 in severance paid to Samantha Hymes.
- (9) Except where noted, other compensation consists primarily of performance bonuses and other perquisites, such as employer-paid health premiums.
- (10) Salary and benefits paid in Canadian dollars and translated at the FX rate per the Bank of Canada on December 31, 2025 of 1.3706.

Incentive Plan Awards - Outstanding Share and Option-Based Awards

The following table sets forth the outstanding option and share based awards of NEOs as of December 31, 2025.

Option-based Awards					Share-based Awards		
Name and principal 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 or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$) ⁽²⁾

David Vautrin, <i>Interim CEO</i>	311,250	0.08	June 18, 2029	Nil	210,000 RSUs	10,500	Nil
Patricia Fonseca, <i>CFO and Corporate Secretary</i>	2,000,000	0.05	July 7, 2035	Nil	Nil	Nil	Nil
Victor Bindi <i>Chief Operating Officer</i>	2,000,000	0.05	July 7, 2035	Nil	Nil	Nil	Nil
Matthew Mundy <i>Chief Legal Officer</i>	280,125	0.07	December 13, 2027	Nil	Nil	Nil	Nil
	2,000,000	0.05	July 7, 2025	Nil	Nil	Nil	Nil

Notes:

- (1) Based on closing price of the Common Shares on the CSE on December 31, 2025 of \$0.05.
(2) Market value of share-based awards that have vested but have not been paid out or distributed is calculated as the number of RSUs outstanding as at December 31, 2025 multiplied by the closing price of the Common Shares on the CSE at that date, which was \$0.05.

Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth the value vested of option and share based awards for NEOs during the year ended December 31, 2025.

Name and principal position	Option based awards – Value vested during the year (\$) ⁽¹⁾	Share based awards – Value vested during the year (\$) ⁽²⁾	Non-equity incentive plan compensation – Value earned during the year (\$) ⁽³⁾
David Vautrin <i>Interim CEO</i>	Nil	Nil	Nil
Patricia Fonseca <i>CFO</i>	Nil	Nil	Nil
Victor Bindi <i>Chief Operating Officer</i>	Nil	Nil	Nil
Matthew Mundy <i>Chief Legal Officer</i>	Nil	Nil	Nil

Notes:

- (1) Option based awards do not represent cash received. The value of Options is calculated based on the value that would have been realized if the options had been exercised on the vesting date by taking the difference between the market price of the underlying Common Shares on the vesting date and the exercise price.
(2) Share based awards do not represent cash received. Awards are shown at the market value of the Common Shares at the time of issuance of the RSUs.

Employment, consulting and management agreements

Robert Beasley, Former CEO

FLUENT had entered into an employment agreement dated September 29, 2020, as amended on March 1, 2021, December 1, 2022 and July 14, 2023 (the “**Beasley Employment Agreement**”) with Robert Beasley, CEO, pursuant to which Mr. Beasley is entitled an annual base salary of \$500,000. If such agreement is terminated by FLUENT without cause, FLUENT is obligated to pay Mr. Beasley twelve months of base salary. If the Beasley Employment Agreement is terminated by FLUENT without cause in anticipation of or within six months following a change in control, FLUENT is obligated to pay Mr. Beasley three times his annual base salary. If such termination occurs after the six months following a change in control, FLUENT is obligated to pay Mr. Beasley up to two times his annual base salary, reduced for the number of months worked since the date of the change in control, and subject to a minimum of twelve months of base salary. Any such payments are conditioned upon Mr. Beasley executing a release in favor of FLUENT. Robert Beasley resigned as CEO of FLUENT effective August 6, 2025 and the Beasley Employment Agreement is no longer in effect. In connection with Mr. Beasley’s departure from FLUENT, Mr. Beasley was paid an aggregate amount of \$217,307 during the year ended December 31, 2025.

Samantha Hymes, Former Executive Vice President

FLUENT was a party to an employment agreement with Samantha Hymes, former Executive Vice President, whereby she was compensated at the rate of \$301,000 annually. Upon termination of Ms. Hymes’ employment agreement without Cause (as defined therein) or for Good Reason (as defined therein), Ms. Hymes would have been entitled to the following, subject to executing a release in favor of FLUENT: (i) salary and benefits continuance for up to six months subject to offset in the third month if other employment is secured, subject to executing a release in favor of FLUENT. Any such payments are conditioned upon Ms. Hymes executing a release in favor of FLUENT. Ms. Hymes was terminated as Executive Vice President of FLUENT effective August 11, 2025 and was paid severance in the aggregate amount of \$128,823 during the year ended December 31, 2025.

David Vautrin, Interim CEO

FLUENT entered into an employment agreement with David Vautrin, Interim Chief Executive Officer (the “**Vautrin Employment Agreement**”) whereby he is currently compensated at the rate of \$420,000 annually. Under the terms of the Vautrin Employment Agreement, (a) if FLUENT terminates Mr. Vautrin’s employment without Cause (as defined therein) at any time including via non-renewal by FLUENT at the conclusion of the Initial Term or any renewal Term (in each case as defined therein), in addition to the Base Salary (as defined therein) that has accrued and to which they are entitled to as of the termination date, Mr. Vautrin shall be paid, subject to certain conditions, the Base Salary for a time period equal to (a) the remainder of the Initial Term if Mr. Vautrin is terminated without Cause prior to the conclusion of the first three months of the Initial Term, or (b) the amount of time Mr. Vautrin was employed pursuant to the agreement, if Mr. Vautrin is terminated without Cause after the conclusion of the first three months of the Initial Term, subject to a maximum period of six months.

Victor Bindi, Chief Operating Officer

FLUENT entered into the Bindi Employment Agreement, whereby he is currently compensated at the rate of \$300,000 annually. Under the terms of the Bindi Employment Agreement, (a) if FLUENT terminates Mr. Bindi’s employment without Cause (as defined therein) at any time including via non-renewal by FLUENT at the conclusion of the Initial Term or any renewal Term (in each case as such terms are defined therein) or (b) if Mr. Bindi’s employment is terminated by Mr. Bindi with Good Reason (as defined therein), including, in each case, in connection with a Change of Control (as defined therein), in addition to the Base Salary (as defined therein) that has accrued and to which they are entitled to as of the termination date, Mr. Bindi will be paid, subject to certain conditions, the Base Salary for a period of six months following the termination date, unless the termination is via non-renewal, in which case the salary continuation will be for a period of three months following the termination date. The salary continuation will be reduced by the amount of any

income received, earned and/or derived from his employment or engagement by any other person or entity during the severance period.

Patricia Fonseca, Chief Financial Officer

FLUENT entered into the Fonseca Employment Agreement, whereby Ms. Fonseca is currently compensated at the rate of \$301,000 annually. Under the terms of the Fonseca Employment Agreement, if (a) FLUENT terminates Ms. Fonseca's employment without Cause (as defined therein) at any time including via non-renewal by FLUENT at the conclusion of the Initial Term or any renewal Term (in each case as such terms are defined therein) or (b) if Ms. Fonseca's employment is terminated by Ms. Fonseca with Good Reason (as defined therein), including, in each case, in connection with a Change of Control (as defined therein), in addition to the Base Salary (as defined therein) that has accrued and to which they are entitled to as of the termination date, Ms. Fonseca will be paid, subject to certain conditions, the Base Salary for a period of six months following the termination date, unless the termination is via non-renewal, in which case the salary continuation will be for a period of three months following the termination date. The salary continuation will be reduced by the amount of any income received, earned and/or derived from her employment or engagement by any other person or entity during the severance period.

Matthew Mundy, Chief Legal Officer

FLUENT entered into the Mundy Employment Agreement whereby he is currently compensated at the rate of \$291,843. Under the terms of such agreement, if (a) FLUENT terminates Mr. Mundy's employment, other than for cause, within 12 months following a Change of Control (as such term is defined in therein), or (b) a "Triggering Event", as such term is defined in the Mundy Employment Agreement, occurs (including if the terms of Mr. Mundy's employment are materially changed without the express consent of Mr. Mundy in writing and Mr. Mundy elects to resign within 12 months of a Change of Control), then Mr. Mundy is entitled to receive (i) 12 months' salary in lieu thereof, plus one month's salary for every year and part year that Mr. Mundy has been employed by FLUENT (subject to a maximum of 18 months), plus (ii) the average annual bonus actually paid to Mr. Mundy with respect to the two completed years preceding the date of termination. Under the terms of such agreement, if (a) FLUENT terminates Mr. Mundy's employment, other than for cause, then Mr. Mundy is entitled to receive (i) 9 months' salary in lieu thereof, plus one month's salary for every year and part year that Mr. Mundy has been employed by FLUENT (subject to a maximum of 18 months), plus (ii) the average annual bonus actually paid to Mr. Mundy with respect to the two completed years preceding the date of termination. In addition, under the terms of such agreement, in the event of a Change of Control or a termination without cause, any outstanding and unvested equity will vest on the date notice of termination is provided by either party to the other.

Director Compensation

Director compensation matters are dealt with by the Board as a whole. Each director who is not also an NEO was paid the following directors fees effective July 1, 2025: an annual fee of \$100,000 for being a member of the Board, an annual fee of \$150,000 for being the Executive Chairman, an annual fee of \$130,000 for being the Audit Chair, and \$120,000 for being the Compensation and Governance Committee Chair. Effective July 1, 2025, members of the Strategic Planning Committee also received an annual fee of \$10,000. During the year ended December 31, 2025, the non-executive Directors received a combination of cash and Common Shares as compensation for acting as directors of FLUENT.

All directors are reimbursed for their respective out-of-pocket expenses in relation to their attendance at Board meetings and committee meetings.

Director Compensation Table

The following table describes all compensation provided to the non-executive Directors of FLUENT for the year ended December 31, 2025.

Name	Fees Earned	Share-Based Awards	Option-Based Awards	Non-Equity Incentive Plan Compensation	Pension Value	All Other Compensation	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Roger Daher	100,000 ⁽¹⁾	Nil	30,000	Nil	Nil	Nil	130,000
Mark Eckenrode	115,000 ⁽¹⁾	Nil	30,000	Nil	Nil	Nil	145,000
Christopher Hagedorn ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Richard Mavrinac ⁽²⁾	105,000 ⁽¹⁾	Nil	30,000	Nil	Nil	Nil	135,000
Peter Shumlin ⁽³⁾	37,500 ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	37,500
Seth Sholes ⁽³⁾	12,500	Nil	Nil	Nil	Nil	Nil	12,500
Dawn Sweeney ⁽²⁾	110,000 ⁽¹⁾	Nil	30,000	Nil	Nil	Nil	140,000

Notes:

- (1) Represents annual compensation paid to the directors of FLUENT. Q2 2025 fees were satisfied by the issuance of Common Shares.
- (2) Mr. Hagedorn, Ms. Sweeney and Mr. Mavrinac joined the Board on December 19, 2024 in connection with the 2024 Arrangement. Mr. Hagedorn resigned from the Board on April 29, 2026.
- (3) Mr. Shumlin joined the Board on July 1, 2025 and resigned from the Board effective as of November 15, 2025. He was replaced by Mr. Sholes on the same date.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards – Directors

The following table sets forth the outstanding option and share based awards for non-executive Directors of FLUENT as of December 31, 2025.

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 or Payout Value of Share-Based Awards that Have Not Vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Roger Daher	200,000	0.77	January 22, 2026 July 7, 2035	Nil	Nil	Nil	Nil
	750,000	0.05		Nil	Nil	Nil	Nil
Mark Eckenrode	250,000	0.83	August 31, 2026	Nil	Nil	Nil	Nil
	750,000	0.05	July 7, 2035	Nil	Nil	Nil	Nil
Christopher Hagedorn ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Richard Mavrinac ⁽²⁾	750,000	0.05	July 7, 2035	Nil	Nil	Nil	Nil
Peter Shumlin ⁽³⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Seth Sholes	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Dawn Sweeney ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Based on the closing price of the Common Shares on the CSE on December 31, 2025 of \$0.05.
- (2) Mr. Hagedorn, Ms. Sweeney and Mr. Mavrinac joined the Board on December 19, 2024 in connection with the 2024 Arrangement. Mr. Hagedorn resigned on from the Board on April 29, 2026.
- (3) Mr. Shumlin joined the Board on July 1, 2025 and resigned from the Board effective as of November 15, 2025. He was replaced by Mr. Sholes on the same date.

Incentive Plan Awards – Value Vested or Earned During the Year by Directors

The following table sets forth the value of vested option and share based awards for non-executive Directors of FLUENT during the year ended December 31, 2025.

Name	Option-Based Awards – Value Vested During the Year (\$)	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Roger Daher	Nil	Nil	Nil
Mark Eckenrode	Nil	Nil	Nil
Christopher Hagedorn ⁽¹⁾	Nil	Nil	Nil
Richard Mavrinac ⁽¹⁾	Nil	Nil	Nil
Peter Shumlin ⁽²⁾	Nil	Nil	Nil
Seth Sholes ⁽²⁾	Nil	Nil	Nil
Dawn Sweeney ⁽¹⁾	Nil	Nil	Nil

Notes:

- (1) Mr. Hagedorn, Ms. Sweeney and Mr. Mavrinac joined the Board on December 19, 2024 in connection with the 2024 Arrangement.
- (2) Mr. Shumlin joined the Board on July 1, 2025 and resigned from the Board effective as of November 15, 2025. He was replaced by Mr. Sholes on the same date.

SCHEDULE G INFORMATION CONCERNING VIREO

The following additional information concerning Vireo should be read in conjunction with the documents incorporated by reference into this Schedule G.

The following section of this Circular contains forward-looking information. Readers are cautioned that actual results may vary. See “*Schedule G – Cautionary Note Regarding Forward-Looking Statements*”.

Cautionary Note Regarding Forward-Looking Statements

The following section of this Circular contains or incorporates by reference “forward-looking statements” within the meaning of the *United States Private Securities Litigation Reform Act* of 1995 and “forward-looking information” within the meaning of applicable Canadian Securities Laws. Forward-looking statements or information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Vireo or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements or information contained in this section of the Circular. Forward-looking statements and forward-looking information are generally identified by their use of such terms and phrases as “intend,” “goal,” “strategy,” “estimate,” “expect,” “project,” “projections,” “forecasts,” “plans,” “seeks,” “anticipates,” “potential,” “proposed,” “will,” “should,” “could,” “would,” “may,” “likely,” “designed to,” “foreseeable future,” “believe,” “scheduled” and other similar expressions. Examples of such statements include statements with respect to the timing and outcome of the Arrangement; the satisfaction or waiver of the closing conditions set out in the Arrangement Agreement, including receipt of all regulatory approvals, Court approval and Shareholder approvals.

Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information, including risks relating to the dilutive impact of the Arrangement and future resales of the Vireo Shares in the public market by the Shareholders, which may negatively affect the price of the Vireo Shares; the ability of the parties to receive, in a timely manner and on satisfactory terms, the necessary regulatory approval, Court approval and Shareholder approvals; the ability of the parties to satisfy, in a timely manner, the other conditions to the completion of the Arrangement; the effective integration of Vireo’s and FLUENT’s businesses and the ability to achieve the anticipated synergies contemplated by the Arrangement; risks related to the value of Vireo Shares to be issued pursuant to the Arrangement; the diversion of management time on Arrangement-related issues; risks relating to the overall macroeconomic environment, which may impact customer spending, costs and margins, including tariffs (and related retaliatory measures); the levels of inflation, and interest rates; expectations regarding future investment, growth and expansion of Vireo’s and FLUENT’s operations; regulatory and licensing risks; changes in general economic, business and political conditions, including changes in the financial and stock markets; legal and regulatory risks inherent in the cannabis industry, including the global regulatory landscape and enforcement related to cannabis, risks related to the integration of acquired businesses; the timing and manner of the legalization of cannabis in the United States, if at all; additional dilution; political risks and risks relating to regulatory change; risks relating to anti-money laundering laws; compliance with extensive government regulation and the interpretation of various laws, regulations and policies; public opinion and perception of the cannabis industry; and such other risks contained in the public filings of Vireo filed with Canadian securities regulators and available under Vireo’s profile on SEDAR+ at www.sedarplus.ca and with the United States Securities and Exchange Commission through EDGAR at www.sec.gov, including the factors discussed under the heading “Risk Factors” in Vireo’s Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (the “**Vireo Annual Report**”) and the risk factor discussed under the heading “Item 1A. Risk Factors” in Vireo’s Form 10-Q for the quarterly period ended March 31, 2026, and in the public filings of FLUENT filed with Canadian securities regulators and available under FLUENT’s profile on SEDAR+ at www.sedarplus.ca.

Certain of the forward-looking statements or forward-looking information contained or incorporated by reference herein concerning the industries in which Vireo conducts its business are based on estimates prepared using data from publicly available governmental sources, market research, industry analysis and on assumptions based on data and knowledge of these industries, which management of Vireo believes to be reasonable. However, although generally indicative of relative market positions, market shares and performance characteristics, such data is inherently imprecise. The conduct of Vireo's business involves risks and uncertainties that are subject to change based on various factors, including those described below and in the Vireo Annual Report.

In respect of the forward-looking statements and information contained in this section of the Circular, Vireo has provided such statements and information in reliance on certain assumptions that Vireo believes are reasonable at this time. The forward-looking statements and forward-looking information contained and incorporated by reference herein are based upon certain material assumptions that were applied in drawing a conclusion or making a forecast or projection, including: (i) management's perceptions of historical trends, current conditions and expected future developments; (ii) Vireo's ability to generate cash flow from operations; (iii) general economic, financial market, regulatory and political conditions in which Vireo operates; (iv) the production and manufacturing capabilities and output from Vireo's facilities and equity investments; (v) consumer interest in Vireo's products; (vi) competition; (vii) anticipated and unanticipated costs; (viii) government regulation of Vireo's activities and products including but not limited to the areas of taxation and environmental protection; (ix) the timely receipt of any required regulatory authorizations, approvals, consents, permits and/or licenses; (x) Vireo's ability to obtain qualified staff, equipment and services in a timely and cost-efficient manner; (xi) Vireo's ability to conduct operations in a safe, efficient and effective manner; (xii) Vireo's ability to realize anticipated benefits, synergies or generate revenue, profits or value from its recent acquisitions into existing operations; and (xiii) other considerations that management believes to be appropriate in the circumstances.

While management considers these assumptions to be reasonable based on information currently available to them, there is no assurance that such expectations will prove to be correct. Accordingly, undue reliance should not be placed on such information and no assurance can be given that such events will occur in the disclosed time frames or at all. Should one or more of the foregoing risks or uncertainties materialize, or should assumptions underlying the forward-looking statements or forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although Vireo has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. The forward-looking statements and forward-looking information included in this section of the Circular are made as of the date hereof and Vireo does not undertake any obligation to publicly update such forward-looking statements or forward-looking information to reflect new information, subsequent events or otherwise unless required by applicable Securities Laws.

General

Vireo is a reporting issuer in Canada, with its securities listed for trading on the CSE under the symbol "VREO" and quoted on the OTCQX under the symbol "VREOF". Vireo is a cannabis company whose mission is to provide safe access, quality products and value to its customers while supporting its local communities through active participation and restorative justice programs. Vireo is evolving with the industry and is in the midst of a transformation to being significantly more customer-centric across its operations, which include cultivation, manufacturing, wholesale and retail business lines. With its core operations strategically located in ten markets, Vireo cultivates and manufactures cannabis products and distributes these products through its growing network of retail dispensaries that it owns or operates, as well as third-party dispensaries in the markets in which Vireo's subsidiaries hold operating licenses.

As of June 11, 2026, Vireo, through its subsidiaries, has licenses and operates its cannabis business in ten states, consisting of California, Colorado, Florida, Maryland, Minnesota, Missouri, New Mexico, Nevada, New York, and Utah. As of June 11, 2026, Vireo sells cannabis products in dispensaries located across

California, Colorado, Florida, Maryland, Minnesota, Missouri, New Mexico, Nevada, New York, and Utah and wholesales cannabis products through third-party companies in the foregoing states.

Vireo's registered office is located at Suite 2200-1021 West Hastings Street, Vancouver, British Columbia V6E 0C3. Its corporate office is located at 207 South Ninth Street, Minneapolis, Minnesota 55402.

Recent Developments

Acquisition of Assets of Schwazze

On October 10, 2025, Vireo Health of Colorado, LLC ("**VHC**"), a wholly owned subsidiary of Vireo, entered into a restructuring support agreement (the "**RSA**") with Medicine Man Technologies, Inc. d/b/a Schwazze ("**Schwazze**") and certain related entities in connection with Vireo's acquisition of a majority of the outstanding 13% Senior Secured Convertible Notes due December 7, 2026 (the "**Senior Secured Notes**") of Schwazze. The RSA contemplated the restructuring of Schwazze's operations and capital structure through a series of transactions, including the acquisition of substantially all of Schwazze's operating assets (the "**Asset Sale**") by a newly formed entity, Vireo Health of Rocky Mountain, LLC ("**Vireo Health of Rocky Mountain**"), followed by the winding down and liquidation of Schwazze's remaining operations. Prior to the closing of the Asset Sale, a wholly owned subsidiary of Vireo, CO Acquisition Vehicle, LLC acquired the remaining Senior Secured Notes, and as of the closing of the Asset Sale, Vireo indirectly held all of the issued and outstanding Senior Secured Notes.

On November 13, 2025, a public auction of Schwazze's collateral was conducted pursuant to the Uniform Commercial Code, at which the collateral agent, acting at the direction of VHC, submitted a winning credit bid of approximately \$111 million in aggregate principal amount of Senior Secured Notes (the "**Credit Bid**"). Following the auction, Schwazze entered into an asset purchase agreement with Vireo Health of Rocky Mountain (the "**Schwazze APA**").

During the year ended December 31, 2025, Vireo entered into Convertible Note Secondary Sale and Purchase Agreements with certain holders of the Senior Secured Notes, pursuant to which Vireo acquired Senior Secured Notes having a value of approximately \$94 million (consisting of principal and accrued interest) in consideration for issuing 117,905,205 pre-Share Consolidation Vireo Shares with a fair value of \$77,976,015.

On March 19, 2026, pursuant to the Schwazze APA and in connection with the Asset Sale, Vireo Health of Rocky Mountain acquired 45 retail dispensaries in Colorado and New Mexico and two manufacturing facilities (one in each state) in consideration for the Credit Bid and the assumption of certain specified liabilities of Schwazze. The Credit Bid resulted in the full discharge of the Senior Secured Notes upon closing of the transaction. As a result of the Asset Sale and certain related transactions, Vireo indirectly holds a majority ownership interest in Vireo Health of Rocky Mountain.

In connection with the foregoing transactions, on March 19, 2026, Vireo Health of Rocky Mountain entered into a loan and security agreement (the "**LSA**") with Chicago Atlantic Financial Services, LLC, as administrative agent, the lenders party thereto, and Vireo Health of Rocky Mountain's existing subsidiaries, as guarantors. The LSA provides for a senior secured term loan facility comprised of two tranches:

- Tranche A Term Loan: approximately \$50.0 million in aggregate principal amount, maturing on December 31, 2031; and
- Tranche B Term Loan: approximately \$12.7 million in aggregate principal amount, maturing on December 31, 2033.

The loan proceeds from both tranches were advanced in full on the closing date and bear interest at a fixed rate of 12.0% per annum, payable semi-annually. The outstanding principal balance of each tranche is due

in full on its respective maturity date. CO Acquisition Vehicle, LLC, a wholly owned subsidiary of Vireo, holds approximately \$5.5 million of the Tranche A Term Loan and holds the Tranche B Term Loan in its entirety. The loans are secured by a first-priority lien on substantially all of the assets of Vireo Health of Rocky Mountain and its existing subsidiaries, subject to certain excluded assets.

Chicago Atlantic Financial Services, LLC serves as administrative agent under the LSA. Chicago Atlantic Admin, LLC serves as collateral agent under the indenture formerly governing the Senior Secured Notes and as administrative agent under the loan facility. John Mazarakis, Vireo's Chief Executive Officer, is a partner of Chicago Atlantic Group, LP, an affiliate of each of these entities.

Management Services Agreement with PharmaCann Inc.

On December 16, 2025, Vireo Health, Inc. ("**Vireo Health**"), a wholly owned subsidiary of Vireo, entered into an asset purchase agreement with PharmaCann Inc. ("**PharmaCann**") and certain of its subsidiaries (the "**PharmaCann APA**") to acquire certain retail assets and properties of PharmaCann in the State of Colorado for aggregate consideration equal to approximately \$49 million, payable in Vireo Shares. In connection with the transactions contemplated by the PharmaCann APA, the parties entered into a management services agreement (the "**MSA**") pursuant to which an affiliate of Vireo agreed to provide certain affiliates of PharmaCann with management services related to PharmaCann's retail assets in Colorado during the pendency of the acquisition.

On March 22, 2026, the MSA became effective. In connection therewith, and pursuant to the terms of the PharmaCann APA, Vireo delivered 90,740,741 pre-Share Consolidation Vireo Shares from treasury into escrow with Odyssey Trust Company, as escrow agent. Such Vireo Shares are being held in escrow pending their potential release and delivery as consideration under the PharmaCann APA upon the closing of the asset acquisition, which is expected to occur during the second quarter of 2026, subject to regulatory approval.

Strategic Partnership with Ace Ventures

On March 31, 2026, Vireo Health and Ace Venture of NY LLC ("**Ace**") entered into a Second Amended and Restated Limited Liability Company Operating Agreement (the "**Operating Agreement**") for Vireo Health of New York LLC ("**Vireo NY**") as a strategic partnership to establish New York's first minority-owned vertically integrated medical cannabis operator. Under the Operating Agreement, Ace holds 51% and Vireo Health holds 49% of the issued and outstanding membership interests in Vireo NY, with distributions of available cash made first to Vireo Health until recovery of specified amounts and thereafter pro rata. Vireo NY is managed by a two-person board of managers, with one manager designated by Vireo Health and one manager designated by Ace, and with deadlocks resolved by Vireo's Chief Financial Officer. Concurrently, Vireo NY issued an intercompany promissory note in favour of Vireo Health in the principal amount of approximately \$16 million, bearing interest at 7% per annum, with all outstanding amounts due on October 13, 2031.

John Mazarakis, as CEO of Vireo Health, and Steven Acevedo, as manager of Ace, currently serve on the board of managers of Vireo NY.

Acquisition of Eaze Inc.

On April 1, 2026, Vireo completed its previously announced merger with Eaze Inc. ("**Eaze**"), with Eaze surviving as a wholly owned subsidiary of Vireo (the "**Eaze Merger**"). At closing, Vireo issued 90,379,591 pre-Share Consolidation Vireo Shares to former Eaze stockholders, representing the estimated closing merger consideration of approximately \$47,040,000 (based on a price of \$0.56 per Vireo Share (on a pre-Share Consolidation basis)), subject to post-closing purchase price adjustments. Former Eaze stockholders may be entitled to receive additional Vireo Shares pursuant to earnout payments following December 31, 2026, based on an imputed Earnings Before Interest, Taxes, Depreciation, and Amortization figure of

\$76,800,000 less the base consideration, as adjusted for certain items described in the merger agreement dated December 22, 2025 by and among Vireo, Eaze and the other parties thereto. The Vireo Shares issued on closing of the transaction are subject to a lock-up with releases of 20% on each of March 1, June 1, September 1 and December 1, 2027, and March 1, 2028.

Appointment of Director

On April 3, 2026, Vireo's board of directors approved an increase in the size of the board to six directors and appointed Michael Steiner as the sixth director. Mr. Steiner was elected at Vireo's annual general and special meeting of shareholders held on May 29, 2026.

Amendment to CEO Employment Agreement

Effective April 1, 2026, Vireo entered into a second amendment to the employment agreement with John Mazarakis, Chief Executive Officer and Co-Executive Chairman (the "**Amended Employment Agreement**"). Under the Amended Employment Agreement, Mr. Mazarakis's annual base salary will increase from \$1.00 to \$2,250,000 as of the earlier of (i) the first day of the month following the date that Vireo achieves a market capitalization of not less than \$1 billion (based on 90-day VWAP), or (ii) January 1, 2027. Beginning January 1, 2027, and continuing for each of the next four subsequent calendar years, Vireo will also issue Mr. Mazarakis 10 million pre-Share Consolidation Vireo Shares, which will be fully vested when issued, subject to a minimum trading volume threshold. Vireo's board of directors also approved the grant of conditional performance-vesting restricted share unit awards (the "**Growth Equity Awards**") to Mr. Mazarakis, which was subject to Vireo Shareholder approval, representing up to 9.0% of Vireo's fully diluted equity across three phases, with vesting tied to Vireo's market capitalization milestones ranging from \$1 billion to \$2 billion, adjusted EBITDA thresholds ranging from \$100 million to \$200 million, net leverage, trading volume and, for later phases, total shareholder return hurdles. The Growth Equity Awards are subject to clawback and accelerated vesting provisions. The Amended Employment Agreement and Growth Equity Awards were approved at Vireo's annual general and special meeting of shareholders held on May 29, 2026.

Acquisition of HGC

On April 8, 2026, Prolific Supply LLC, an indirect wholly owned subsidiary of Vireo, completed the acquisition of all of the issued and outstanding equity interests of HGC (the "**Hawthorne Transaction**"), including its subsidiaries HGCI LLC and Hawthorne Hydroponics LLC (collectively, the "**Hawthorne Companies**"), from SMG Growing Media LLC, a wholly owned indirect subsidiary of SMG, pursuant to a securities purchase agreement dated April 8, 2026 (the "**Hawthorne SPA**"). The Hawthorne Companies are a leading provider of nutrients, lighting and other materials used for indoor and hydroponic gardening in North America.

Pursuant to the Hawthorne SPA, Vireo issued Good Dog Holdings LLC ("**Good Dog**"), as designee of SMG Growing Media LLC, 213 million pre-Share Consolidation Vireo Shares at a deemed value of \$0.60 per share (on a pre-Share Consolidation basis), subject to customary post-closing purchase price adjustments, with 5 million of such pre-Share Consolidation Vireo Shares delivered to Odyssey Trust Company, as escrow agent, for satisfaction of such adjustments. Additionally, Vireo issued Good Dog a warrant to purchase 80 million pre-Share Consolidation Vireo Shares at an exercise price of \$0.85 per share (on a pre-Share Consolidation basis), exercisable for a period of five years from April 8, 2026. As a result of the Hawthorne Transaction, Vireo acquired \$35 million of cash held by the Hawthorne Companies, approximately \$58 million of net working capital and \$20 million of inventory (primarily growing media) to be supplied to Vireo over two years. Immediately, following the closing of the Hawthorne Transaction, Good Dog held approximately 14% of the outstanding Vireo Shares (or approximately 19% on a partially diluted basis, assuming exercise of all warrants held by Good Dog).

The Vireo Shares issued to Good Dog are subject to a lock-up with releases of 10% at six months post-closing, 30% at 12 months post-closing, 30% at 18 months post-closing and 30% at 24 months post-closing. The Vireo Shares issuable upon exercise of the Vireo Warrants held by Good Dog are subject to the same lock-up release schedule.

In connection with the Hawthorne Transaction, Vireo and Good Dog entered into an investor rights agreement providing Good Dog with (i) certain resale and piggyback registration rights, (ii) the right to designate one nominee for election to Vireo's board of directors for so long as Good Dog (together with SMG and its affiliates) holds at least 5% of Vireo's outstanding Vireo Shares, and (iii) participation rights allowing Good Dog to purchase additional Vireo Shares in certain future offerings to maintain its ownership percentage. Chris Hagedorn, Executive Vice President of SMG and Executive Lead of the Hawthorne Companies business, has been designated as the initial board nominee and was elected to Vireo's board of directors at Vireo's annual general and special meeting of shareholders held on May 29, 2026.

Joint Venture with Glass House Brands

On April 13, 2026, Vireo announced a joint venture with Glass House Brands Inc. ("**Glass House**") to build one of California's largest and most strategically positioned cannabis retail platforms. Following regulatory and certain closing conditions, each company will contribute its California dispensary operations to the joint venture in exchange for a 50% ownership interest in the joint venture. The joint venture will also leverage the Eaze delivery platform to extend distribution into regions with limited retail access.

Beginning five years after closing, Vireo will have the option to acquire Glass House's equity interest in the joint venture, and Glass House will have a reciprocal put right.

Cory Azzalino, Vireo's President of California, has been appointed CEO of the joint venture, where he will oversee operations and lead the platform's retail acquisition and expansion strategy.

New York Property Acquisition

On May 26, 2026, Vireo announced that 256 County Route 117 Perth LLC (the "**256 County Route**"), an indirect subsidiary of Vireo, entered into a Premises Purchase Agreement (the "**NY Purchase Agreement**") with IIP-NY 2 LLC ("**IIP-NY**"), pursuant to which 256 County Route acquired from IIP-NY all right, title and interest in and to certain real property having a street address of 256 County Route 117, Perth, NY (the "**NY Property**"). The acquisition resulted from Vireo NY's exercise of an option to purchase the NY Property contained in a Lease Agreement dated October 23, 2017 between Vireo NY, as tenant, and 256 County Route, as landlord.

The purchase price for the NY Property was \$88.5 million. Pursuant to the terms of the NY Purchase Agreement, IIP-NY provided seller financing to 256 County Route in the principal amount of \$49 million (the "**NY Seller Note**"). The NY Seller Note bears interest at 15% per annum, matures on May 25, 2027, and is subject to two one-year extension options. The NY Seller Note is secured by a first priority mortgage on the NY Property and is guaranteed by Vireo. The balance of the purchase price, together with closing costs, was funded by a loan from Chicago Atlantic Financial Services, LLC in the amount of \$41.0 million, which is secured by a second priority mortgage on the NY Property, subordinate to the NY Seller Note pursuant to an intercreditor agreement, and is guaranteed by Vireo Health.

Acquisition of Bridgewell Agribusiness LLC

On June 5, 2026, Vireo acquired all of the issued and outstanding equity interests of Agribusiness Holdings Limited Partnership ("**Agribusiness Holdings**"), which indirectly owns all of the issued and outstanding membership interests of Bridgewell Agribusiness LLC ("**Bridgewell**"), from the holders of the outstanding equity interests of Agribusiness Holdings (the "**Ultimate Sellers**") and in consideration thereof Vireo issued unsecured, subordinated convertible notes to the Ultimate Sellers in the aggregate principal amount of

approximately \$13.6 million (collectively, the “**Bridgewell Convertible Notes**”). The Bridgewell Convertible Notes will convert on or after the second anniversary of closing into Vireo Shares at a deemed price of \$0.62 per Vireo Share (on a pre-Share Consolidation basis), subject to final adjustment and the policies of the CSE.

Share Consolidation

At the annual general and special meeting of Vireo Shareholders held on May 29, 2026, Vireo Shareholders, on a class basis, approved a proposal to allow the Vireo board of directors to proceed with a share consolidation of the Vireo Shares and Vireo Multiple Voting Shares on the basis of not less than 20 for-1 and not more than 40-for-1 with the exact ratio of the share consolidation to be determined by the board of directors of Vireo (the “**Share Consolidation**”).

On June 1, 2026, the board of directors of Vireo approved the Share Consolidation ratio of 30-for-1 and the Share Consolidation became effective at market open on June 5, 2026.

Further information regarding the business of Vireo and its operations can be found in the Vireo Annual Report and other documents incorporated by reference herein.

Vireo Documents Incorporated by Reference

Information has been incorporated by reference in this Circular from documents filed with the Canadian Securities Authorities and the SEC. Copies of the documents incorporated herein by reference may be obtained on request without charge from the General Counsel of Vireo at 207 South 9th Street, Minneapolis, Minnesota, 55402, United States of America, telephone (612) 314-8995 and email legal@vireohealth.com, and are also available electronically under Vireo’s SEDAR+ profile at www.sedarplus.ca or in the United States through EDGAR at the website of the SEC at www.sec.gov. The filings of Vireo through SEDAR+ and EDGAR are not incorporated by reference in this Circular except as specifically set out herein.

The following documents, filed by Vireo with the Canadian Securities Authorities and the SEC, are specifically incorporated by reference into, and form an integral part of, this Circular:

- (a) the Annual Report on Form 10-K of Vireo, for the fiscal year ended December 31, 2025, which report contains the audited consolidated financial statements of Vireo as at December 31, 2025 and 2024 and for the years ended December 31, 2025 and 2024, and the notes thereto, together with the auditors’ report thereon and the related management’s discussion and analysis of financial condition and results of operations as at and for the year ended December 31, 2025 (including comparative discussion for prior periods), as filed on March 17, 2026 (excluding the exhibits thereto);
- (b) the Quarterly Report on Form 10-Q of Vireo, for the three months ended March 31, 2026, which report contains the unaudited consolidated financial statements of Vireo as at March 31, 2026 and 2025 and for the three months ended March 31, 2026 and 2025 and the notes thereto and the related management’s discussion and analysis of financial condition and results of operations for the three months ended March 31, 2026 and 2025, as filed on May 12, 2026 (excluding the exhibits thereto);
- (c) Vireo’s material change report dated March 19, 2026 relating to the closing of the Schwazze asset acquisition as filed on March 25, 2026; and
- (d) Vireo’s Notice of Annual General and Special Meeting of the Shareholders of Vireo on Friday May 29, 2026, dated April 16, 2026, and related proxy statement/management information circular; and any

documents that Vireo files with the SEC pursuant to Section 13(a), 13(c), 14 or 15(d) of the *Securities Exchange Act of 1934*, as amended after the date of this Circular and before the Meeting.

To the extent that any information contained in any document, or any exhibit thereto, was furnished to, rather than filed with, the SEC, such information or exhibit is specifically not incorporated by reference in this Circular.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Circular to the extent that a statement contained in this Circular or in any subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not constitute a part of this Circular, except as so modified or superseded. 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. Making such a modifying or superseding statement shall not be deemed to be an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, untrue statement of a material fact, nor an omission to state a material fact that is required to be stated or necessary to make a statement not misleading in light of the circumstances in which it is made.

Consolidated Capitalization

The following tables and narrative describe the material changes in the share and loan capital of Vireo, on a consolidated basis, since March 31, 2026, being the date of Vireo's most recently completed fiscal quarter, each on a pre-Share Consolidation basis.

Share Capital

The following table sets forth the material issuances of Vireo Shares since March 31, 2026 (on a pre-Share Consolidation basis):

Date	Transaction	Shares Issued
April 1, 2026	Eaze Merger	90,379,591 ⁽¹⁾
April 8, 2026	Hawthorne Transaction	213,000,000 ⁽²⁾

Notes:

- (1) 9,037,959 of these pre-Share Consolidation Vireo Shares are held in escrow. Former Eaze stockholders may receive additional Vireo Shares following December 31, 2026, based on an imputed EBITDA figure of \$76,800,000 less the base consideration, as adjusted pursuant to the Eaze merger agreement. The number of Vireo Shares issuable in respect of earnout payments may not exceed the number of Vireo Shares issued as closing merger consideration (90,379,591 pre-Share Consolidation Vireo Shares).
- (2) 5,000,000 pre-Share Consolidation Vireo Shares held in escrow.

In addition, in connection with the Hawthorne Transaction, Vireo issued Good Dog a warrant to purchase 80 million pre-Share Consolidation Vireo Shares at an exercise price of \$0.85 per share (on a pre-Share Consolidation basis), exercisable for a period of five years from April 8, 2026.

Pursuant to the Amended Employment Agreement with John Mazarakis, Chief Executive Officer and Co-Executive Chairman, effective April 1, 2026: (i) beginning January 1, 2027, and continuing for each of the next four subsequent calendar years, Vireo will issue Mr. Mazarakis 10 million pre-Share Consolidation Vireo Shares, which will be fully vested when issued, subject to a minimum average daily trading volume threshold of 900,000 shares for the 20-day trading period preceding the date of issuance; and (ii) the board of directors of Vireo approved the grant of Growth Equity Awards to Mr. Mazarakis, which was subject to Vireo Shareholder approval, representing up to 9.0% of Vireo's fully diluted equity across three phases,

with vesting tied to specified market capitalization, adjusted EBITDA, net leverage and trading volume thresholds, all on a pre-Share Consolidation basis. The Amended Employment Agreement and Growth Equity Awards were approved at Vireo's annual general and special meeting of shareholders held on May 29, 2026.

Additionally, pursuant to the Bridgewell Transaction, 22,036,528 pre-Share Consolidation Vireo Shares are issuable upon conversion of the Bridgewell Convertible Notes.

Loan Capital

The following table sets forth the material changes in Vireo's loan capital since March 31, 2026:

Security	Interest Rate	Maturity	Outstanding as at March 31, 2026	Outstanding as at the date hereof
NY Seller Note ⁽¹⁾	15% per annum	May 25, 2027 ⁽²⁾	Nil	\$49 million
Loan from Chicago Atlantic Financial Services, LLC ⁽³⁾	Prime + 5.75%	May 28, 2028	Nil	\$41 million
Bridgewell Convertible Notes	N/A	On or after June 5, 2026 ⁽⁴⁾	Nil	Approx. \$13.6 million ⁽⁵⁾

Notes:

- (1) Incurred in connection with the NY Purchase Agreement. Secured by a first priority mortgage on the NY Property and guaranteed by Vireo.
- (2) Subject to two one-year extension options.
- (3) Incurred in connection with the NY Purchase Agreement. Following the issuance of the NY Seller Note, the balance of the purchase price for the NY Property, together with closing costs, was funded through this loan from Chicago Atlantic Financial Services, LLC, which is secured by a second priority mortgage on the NY Property, subordinate to the NY Seller Note pursuant to an intercreditor agreement, and is guaranteed by Vireo Health.
- (4) The Bridgewell Convertible Notes will convert on or after the second anniversary of closing into Vireo Shares at a deemed price of \$0.62 per Vireo Share (on a pre-Share Consolidation basis), subject to final adjustment and the policies of the CSE.
- (5) The aggregate principal amount is estimated based on the conversion price of \$0.62 per Vireo Share (on a pre-Share Consolidation basis) and is subject to final adjustment in accordance with the terms of the Bridgewell Convertible Notes and the policies of the CSE.

Description of Share Capital

The following summary description of the shares of Vireo is based on the provisions of the Notice of Alteration of the Notice of Articles of Vireo (the "**Vireo Articles**"). This information may not be complete in all respects and is qualified entirely by reference to the provisions of the Vireo Articles, which are available on Vireo's SEDAR+ profile at www.sedarplus.ca and EDGAR profile at www.sec.gov.

Vireo is authorized to issue an unlimited number of Vireo Shares and an unlimited number of Vireo Multiple Voting Shares. As of June 11, 2026, Vireo's issued and outstanding capital consisted of: (i) 48,500,414 Vireo Shares; and (ii) 7,718 Vireo Multiple Voting Shares.

The liquidation and dividend rights are identical among the Vireo Shares and Vireo Multiple Voting Shares and the holders equally participate in Vireo earnings and losses on an as converted basis.

Holders of Vireo Shares are entitled to one vote in respect of each Vireo Share held.

Holders of Vireo Multiple Voting Shares each have the restricted right to convert to one hundred Vireo Shares, subject to adjustments for certain customary corporate changes.

As of June 11, 2026, Vireo's authorized capital also consists of stock options providing for the issuance of: (i) 1,165,355 Vireo Shares upon the exercise thereof; (ii) 2,098,160 Vireo RSUs; (iii) Vireo Warrants providing for the issuance of up to 3,183,465 Vireo Shares upon the exercise thereof in accordance with their terms; and (iv) a Vireo Convertible Note providing for the issuance of Vireo Shares upon the conversion thereof in accordance with its terms.

Price Range and Trading Volumes of the Vireo Shares

The Vireo Shares are listed and posted for trading on the CSE under the symbol "VREO" and quoted on OTCQX under the symbol "VREOF".

The following table sets forth information relating to the trading of the Vireo Shares on the CSE for the months indicated. Figures reflected in the table below prior to June 5, 2026 represent pre-Share Consolidation figures, and figures on or after June 5, 2026 reflect post-Share Consolidation figures.

Month	High (C\$)	Low (C\$)	Volume
June 2025	0.60	0.49	397,824
July 2025	0.77	0.56	331,880
August 2025	1.08	0.7	1,731,103
September 2025	1.08	0.455	4,006,902
October 2025	1.05	0.77	902,662
November 2025	0.9	0.53	602,685
December 2025	1	0.59	3,315,144
January 2026	0.86	0.65	1,272,046
February 2026	0.78	0.59	650,821
March 2026	0.64	0.485	992,873
April 2026	0.9	0.53	602,685
May 2026	1	0.59	3,315,144
June 1-4, 2026	0.61	0.54	7,464,510
June 5, 2026 to the date hereof	18.3	17.46	11,175

Prior Sales

For the 12-month period prior to the date of this Circular, Vireo issued Vireo Shares as listed in the table below. Other than the issuances listed in the table below, Vireo has not issued any Vireo Shares within the 12 months preceding the date of this Circular. Figures reflected in the table prior to June 5, 2026 represent pre-Share Consolidation figures, and figures on or after June 5, 2026 reflect post-Share Consolidation figures. Vireo did not issue any Vireo Multiple Voting Shares in the last 12 months.

Date of Issuance	Issue Price	Number of Vireo Shares Issued
June 5, 2025 ⁽¹⁾	\$0.52	196,212,265

Date of Issuance	Issue Price	Number of Vireo Shares Issued
June 6, 2025 ⁽²⁾	\$0.52	251,210,053
June 13, 2025 ⁽³⁾	N/A	1,853,800
June 26, 2025 ⁽⁴⁾	\$0.40	547,906
September 2, 2025 ⁽⁵⁾	\$0.60	59,619
October 10, 2025 ⁽⁷⁾	\$0.54	114,807,815
November 18, 2025 ⁽⁸⁾	N/A	2,644,000
December 29, 2025 ⁽⁹⁾	\$0.60	697,731
December 29, 2025 ⁽¹⁰⁾	\$0.60	215,000
December 29, 2025 ⁽¹¹⁾	\$0.60	2,469,910
December 29, 2025 ⁽¹²⁾	\$0.60	4,340,881
December 29, 2025 ⁽¹³⁾	\$0.60	4,960,036
December 30, 2025 ⁽¹⁴⁾	\$0.54	3,097,390
March 16, 2026 ⁽¹⁵⁾	N/A	70,200
March 24, 2026 ⁽¹⁶⁾	~\$0.54	~90,740,741
April 1, 2026 ⁽¹⁷⁾	\$0.56	90,379,591
April 8, 2026 ⁽¹⁸⁾	\$0.60	213,000,000
May 15, 2026 ⁽¹⁹⁾	\$0.41	3,695,216

Notes:

- (1) Issued in connection with Vireo's acquisition of Proper Holdings Management Inc. and NGH Investments Inc.
- (2) Issued in connection with Vireo's acquisition of Deep Roots Holdings, Inc.
- (3) Issued in connection with the conversion of Vireo Multiple Voting Shares to Vireo Shares.
- (4) Issued pursuant to the settlement of restricted share units pursuant to Vireo's 2019 Equity Incentive Plan.
- (5) Issued pursuant to the exercise of stock options pursuant to Vireo's 2019 Equity Incentive Plan.
- (6) Issued pursuant to the exercise of stock options pursuant to Vireo's 2019 Equity Incentive Plan.
- (7) Issued in connection with the acquisition of 86% of the total outstanding senior secured notes of Medicine Man Technologies, Inc. d/b/a Schwazze.
- (8) Issued in connection with the conversion of Vireo Multiple Voting Shares to Vireo Shares.
- (9) Issued pursuant to the settlement of restricted share units pursuant to Vireo's 2019 Equity Incentive Plan.
- (10) Issued pursuant to the exercise of stock options pursuant to Vireo's 2019 Equity Incentive Plan.
- (11) Issued pursuant to the settlement of restricted share units pursuant to Vireo's 2019 Equity Incentive Plan.
- (12) Issued pursuant to the settlement of restricted share units pursuant to Vireo's 2019 Equity Incentive Plan.
- (13) Issued pursuant to the settlement of restricted share units pursuant to Vireo's 2019 Equity Incentive Plan.
- (14) Issued in connection with the acquisition of additional outstanding senior secured notes of Medicine Man Technologies, Inc. d/b/a Schwazze.
- (15) Issued in connection with the conversion of Vireo Multiple Voting Shares to Vireo Shares.
- (16) Issued in escrow connection with Vireo's acquisition of certain assets of Pharmacann. The number of securities to be issued and the price at which they are to be issued are subject to adjustment and to be determined at the closing date of the acquisition.
- (17) Issued in connection with Vireo's acquisition of Eaze.
- (18) Issued in connection with Vireo's acquisition of HGC.
- (19) Issued pursuant to the exercise of stock options pursuant to Vireo's 2019 Equity Incentive Plan and issued pursuant to the settlement of restricted share units pursuant to Vireo's 2019 Equity Incentive Plan.

During the 12-month period before the date of this Circular, Vireo has issued the following securities convertible into Vireo Shares, on a pre-Share Consolidation basis:

Date of Issuance	Type of Security	Exercise Price or Conversion Price	Number Issued
August 31, 2025 ⁽¹⁾	Restricted Share Units	N/A	675,200
September 19, 2025 ⁽²⁾	Restricted Share Units	N/A	400,00
December 23, 2025 ⁽³⁾	Stock Options	\$0.620	7,000,000
December 29, 2025 ⁽⁴⁾	Restricted Share Units	N/A	7,445,311
April 8, 2026 ⁽⁵⁾	Warrant to Purchase	\$0.85	80,000,000
May 15, 2026 ⁽⁶⁾	Restricted Share Units	N/A	6,852,973
May 15, 2026 ⁽⁷⁾	Stock Options	\$0.413	285,930
June 5, 2026 ⁽⁸⁾	Convertible Note	\$0.62	22,036,528

Notes:

- (1) Issued pursuant to the settlement of restricted share units pursuant to Vireo's 2019 Equity Incentive Plan.
- (2) Issued pursuant to the settlement of restricted share units pursuant to Vireo's 2019 Equity Incentive Plan.
- (3) Issued pursuant to the exercise of stock options pursuant to Vireo's 2019 Equity Incentive Plan,
- (4) Issued pursuant to the settlement of restricted share units pursuant to Vireo's 2019 Equity Incentive Plan.
- (5) Issued in connection with the Hawthorne Transaction to Good Dog.
- (6) Issued pursuant to the settlement of restricted share units pursuant to Vireo's 2019 Equity Incentive Plan.
- (7) Issued pursuant to the exercise of stock options pursuant to Vireo's 2019 Equity Incentive Plan.
- (8) Bridgewell Convertible Notes issued pursuant to the Bridgewell Transaction.

Auditors, Transfer Agent and Registrar

The independent auditors of Vireo are BDO USA, P.C.

The transfer agent and registrar of Vireo is Odyssey Trust Company at its office in Calgary, Alberta.

Available Information

Vireo files reports and other information with securities commissions or similar authorities in Canada and the United States of America. These reports containing additional information with respect to Vireo's business and operations are available to the public free of charge at www.sedarplus.ca and www.sec.gov.

Risk Factors

There are a number of risk factors that could cause future results to differ materially from those described herein and in Vireo's filings, including without limitation, the risk factors described under the heading "Risk Factors" in Part I, Item 1A in the Vireo Annual Report which is available on EDGAR at www.sec.gov/edgar and under Vireo's profile on SEDAR+ at www.sedarplus.ca (together with any material changes thereto contained in subsequently filed Quarterly Reports on Form 10-Q) and those contained in Vireo's other filings that are incorporated by reference in this Circular. See "*Vireo Documents Incorporated by Reference*". Such risk factors include, without limitation, adult-use marijuana remains illegal under U.S. federal law, exposing Vireo to significant risk including possible enforcement actions; Vireo operates in a highly regulated sector with complex and at times opposing regulatory regimes and may not always succeed in complying fully with applicable regulatory requirements in all jurisdictions where Vireo conducts business; as adult use marijuana and adult use marijuana related activities remain illegal under U.S. federal law and, in certain state jurisdictions, Vireo may be unable to enforce, or may face significant challenges enforcing, Vireo contracts, including those relating to pending transactions that Vireo is a party to; as adult use marijuana is illegal under U.S. federal law, Vireo may be unable to gain access to U.S. bankruptcy protections in the

event of Vireo's bankruptcy or a bankruptcy of an entity in which Vireo invests; U.S. state licensing regimes, collateral rules, and ownership limits could materially and adversely affect Vireo's business; local regulation in U.S. states where cannabis is legal may impose additional or more restrictive requirements that could materially and adversely affect Vireo's operations; regulatory uncertainty and potential enforcement by the U.S. Food and Drug Administration and other authorities with respect to hemp-derived products could materially and adversely affect Vireo's business; Vireo's business could be materially adversely affected by the Continuing Appropriations, Agriculture, Legislative Branch, Military Construction and Veterans Affairs, and Extensions Act, 2026, and related federal restrictions on hemp-derived products; Vireo's pending transactions are subject to numerous conditions, including regulatory approvals and termination rights, and may not be completed on the anticipated terms or timeline, or at all, which could adversely affect the market price of the Vireo Shares and Vireo's business, financial condition and prospects; Vireo and the assets or businesses acquired in connection with pending transactions that Vireo is a party to may not integrate successfully; the counterparties in certain pending transactions that Vireo is a party to have agreed to indemnify Vireo for certain damages arising from certain of the representations, warranties, covenants, and agreements of the counterparties in pending transactions that Vireo is a party to, however, there can be no assurance that these indemnities will be sufficient to make Vireo whole for the full amount of such damages, or that such indemnifying parties' ability to satisfy their respective indemnification obligation will not be impaired in the future; there can be no assurance that each or any of the pending transactions that Vireo is a party to will not be terminated by Vireo or the relevant counterparty in certain circumstances; the uncertainty surrounding pending transactions that Vireo is a party to could negatively impact Vireo's current and future operations, financial condition and prospects; it may be challenging for the resulting company after completion of Vireo's pending transactions to service the additional indebtedness incurred; Vireo Shareholders may not realize a benefit from the pending transactions that Vireo is a party to that is commensurate with the ownership dilution they will experience in connection with such pending transactions; if the pending transactions that Vireo is a party to do not close, Vireo will not benefit from the expenses incurred in their pursuit; Vireo's ability to use net operating loss carryforwards and other tax attributes may be limited as a result of the pending transactions that Vireo is a party to; Vireo incurred net losses in fiscal years 2025 and 2024 and may not achieve profitability or generate positive operating cash flows in the future; Vireo anticipates requiring additional financing to operate its business and may be unable to obtain such financing on acceptable terms or at all; Vireo is a holding company whose earnings depend on the earnings and distributions of its subsidiaries; the cannabis industry is rapidly evolving and highly competitive, including competition from licensed, unlicensed and well-capitalized participants; competition for suitable cannabis properties may limit growth opportunities or increase costs; public opinion, consumer perception and adverse publicity regarding cannabis may negatively affect demand for Vireo's products and Vireo's business; Vireo's business depends on brand recognition and reputation in an industry influenced by volatile public opinion; Vireo's business may be adversely affected by supplier disruptions; reliance on management agreements with third-party license holders exposes Vireo to regulatory, operational and counterparty risks; security risks inherent in the predominantly cash-based cannabis industry may adversely affect Vireo; agricultural risks, supply chain reliance and labor availability may impact Vireo's operations; energy cost volatility and environmental regulation may increase Vireo's costs or result in enforcement actions against Vireo; cybersecurity, data privacy and healthcare information compliance risks could result in penalties levied against Vireo, litigation and reputational harm; loss of key personnel or inability to attract and retain skilled employees may negatively impact Vireo's operations; Vireo may be required to disclose personal information to regulatory authorities; limitations in insurance coverage may expose Vireo to uninsurable risks; fraudulent or illegal conduct by employees or agents could subject Vireo to investigations and liability; growth-related risks, intellectual property protection challenges, infringement claims, product liability and recall risks may materially adversely affect Vireo; Vireo's internal controls over financial reporting may not be effective; indemnification and limitation of liability provisions under British Columbia law may result in substantial costs; enforcement of foreign judgments may be uncertain; global economic conditions, disease outbreaks or epidemics may adversely affect Vireo's business performance; heightened regulatory scrutiny may impair liquidity and marketability of the Vireo Shares; emerging growth company status and eventual loss thereof may affect Vireo's disclosure obligations and costs; issuance or sale of the Vireo Shares may dilute shareholders or depress market prices of the Vireo Shares; volatility and limited liquidity of the Vireo Shares in the trading market may impair Vireo's ability to raise capital; Vireo's Chief Executive Officer's significant influence over Vireo as both a

major shareholder and an affiliate of Vireo's principal lending sources creates substantial actual and potential conflicts of interest and permits him, directly and indirectly, to exercise effective control over Vireo, which could adversely affect Vireo's business and the value of the Vireo Shares; the pending transactions that Vireo is a party to, if completed, may dilute existing shareholders without providing commensurate benefits; public company compliance costs may adversely affect Vireo's financial condition; suitability determinations by licensing authorities with respect to substantial shareholders of Vireo may require redemption of Vireo's securities using Vireo's cash or debt; Vireo does not intend to pay dividends; substantial secured indebtedness and variable-rate exposure may limit flexibility and increase financial risk; substantial sales of the Vireo Shares by selling shareholders could affect the market price of the Vireo Shares; Vireo is subject to Canadian and U.S. taxation, including the limitation on deductions under Section 280E of the U.S. Internal Revenue Code; tax audits, tax law changes and taxation of dispositions or dividends may adversely affect Vireo and its shareholders; cannabis-specific taxation may materially impact Vireo's profitability; ERISA imposes additional obligations on certain investors; and the additional factors discussed under the heading "Risk Factors" in Vireo's Annual Report and the risk factor discussed under the heading "Item 1A. Risk Factors" in Vireo's Form 10-Q for the quarterly period ended March 31, 2026. These risks and uncertainties and those described in the Vireo Annual Report are not the only ones Vireo faces. Additional risks and uncertainties, including those that Vireo does not currently know about or that it currently deems immaterial, may also adversely affect Vireo's business. If any of the following risks actually occur, Vireo's business may be harmed, and its financial condition and results of operations may suffer significantly.

SCHEDULE H

INFORMATION CONCERNING VIREO FOLLOWING THE COMPLETION OF THE ARRANGEMENT

The following section of this Circular contains forward-looking information. Readers are cautioned that actual results may vary. See “*Cautionary Note Regarding Forward-Looking Statements and Risks*” and Schedule G – “*Information Concerning Vireo*”.

Overview

On completion of the Arrangement, Vireo will own all of the outstanding FLUENT Shares.

Following the completion of the Arrangement, the business and operations of FLUENT will be managed and operated as a subsidiary of Vireo. The head and registered office of Vireo will remain Vireo's current offices, located at Suite 2200-1021 West Hastings Street, Vancouver, British Columbia V6E 0C3.

Directors and Executive Officers of Vireo Following the Completion of the Arrangement

The directors and officers of Vireo following the completion of the Arrangement are expected to remain the directors and officers of Vireo. The directors and officers of FLUENT and its subsidiaries will tender their resignation on the Effective Date.

Description of Share Capital

The authorized share capital of Vireo following the completion of the Arrangement will continue to be as described in Schedule G – “*Information Concerning Vireo*” and the rights and restrictions of the Vireo Shares and the Vireo Multiple Voting Shares will remain unchanged. The issued share capital of Vireo will change as a result of the consummation of the Arrangement, to reflect the issuance of the Consideration Shares contemplated in connection with the Arrangement.

Based on the outstanding securities of FLUENT as of the Record Date and assuming completion of the equitization contemplated in the FLUENT Credit Equitization Agreement, including the issuance of 1,701,261,364 Common Shares to the applicable Lenders of the FLUENT Credit Agreement in accordance with the terms of the FLUENT Credit Equitization Agreement, Vireo expects to issue approximately 5.5 million post-Share Consolidation Vireo Shares in connection with the Arrangement. On completion of the Arrangement, assuming that the current number of FLUENT Shares, Vireo Shares and Vireo Multiple Voting Shares outstanding does not change from the respective dates of the information provided herein, and including, (i) the issuance of 1,701,261,364 Common Shares to the applicable Lenders of the FLUENT Credit Agreement pursuant to the FLUENT Credit Equitization Agreement, (ii) each outstanding Option will vest and become fully exercisable, and any Option that remains unexercised will be terminated for no consideration, and (iii) each outstanding RSU will vest in full and be settled in Common Shares, in each case immediately prior to the Effective Time, it is expected that approximately 54,000,414 post-Share Consolidation Vireo Shares and 7,718 post-Share Consolidation Vireo Multiple Voting Shares convertible into an additional 771,800 post-Share Consolidation Vireo Shares, for a total of 54,772,214 post-Share Consolidation Vireo Shares on a fully converted basis will be issued and outstanding.

Post-Arrangement Shareholdings

Following the completion of the Arrangement, FLUENT will be a wholly owned subsidiary of Vireo.

To the knowledge of the directors and executive officers of Vireo, other than as set forth below, following completion of the Arrangement, there will be no person or company that beneficially owns, directly or indirectly, or exercises control or direction over, voting securities of Vireo carrying 10% or more of the voting rights attached to any class of voting securities of Vireo, except as follows:

Name of Shareholder	Number and Percentage of Vireo Shares ⁽¹⁾	Number and Percentage of Vireo Multiple Voting Shares ⁽¹⁾	Total ⁽²⁾	Total Percentage of Voting Power ⁽²⁾
Chicago Atlantic Opportunities, LLC	6,191,079 (11.46%)	Nil	6,191,079	11.30%

Notes:

- (1) The percentages above are based on 48,500,414 Vireo Shares and 7,718 Vireo Multiple Voting Shares issued and outstanding as of June 11, 2026, and assume the completion of the Arrangement for a total of 54,000,414 Vireo Shares and 7,718 Vireo Multiple Voting Shares.
- (2) Assumes all outstanding Vireo Multiple Voting Shares have been converted to Vireo Shares on a 1:100 basis.

Auditors, Transfer Agent and Registrar

The auditors of Vireo following the completion of the Arrangement will continue to be BDO USA, P.C. and the transfer agent and registrar for the Vireo Shares and the Vireo Multiple Voting Shares will continue to be Odyssey Trust Company at its office in Calgary, Alberta.

Risk Factors

The business and operations of Vireo following completion of the Arrangement will continue to be subject to the risks currently faced by Vireo and FLUENT, as well as certain risks unique to Vireo following completion of the Arrangement, including those set out in this Circular under the heading "Risk Factors". Readers should also carefully consider the risk factors related to Vireo described in the Vireo Annual Report and Vireo's Form 10-Q for the quarterly period ended March 31, 2026 as well as the risk factors related to FLUENT described in FLUENT's annual financial statements and MD&A for the year ended December 31, 2025 and FLUENT's quarterly financial statements and MD&A for the quarter ended March 31, 2026, each of which is incorporated by reference in this Circular.

SCHEDULE I
FLUENT FINANCIAL STATEMENTS

See Attached.

Fluent Corp.

Consolidated Financial Statements

**As of and for the years ended
December 31, 2025 and 2024**

(Expressed in thousands of United States Dollars unless otherwise stated)

Fluent Corp.
Index to the Consolidated Financial Statements

	<u>Page(s)</u>
Independent Auditors' Report -----	3
Consolidated Statements of Financial Position-----	10
Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) -----	11
Consolidated Statements of Changes in Shareholders' Equity -----	12
Consolidated Statements of Cash Flows -----	13
Notes to the Consolidated Financial Statements -----	14 – 64

Independent Auditors' Report

To the Shareholders of FLUENT Corp. Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of FLUENT Corp. and its subsidiaries (together, the "Company"), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated statements of income (loss) and comprehensive income (loss), consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the consolidated financial statements, which indicates that the Company incurred a net loss of \$72.5 million during the year ended December 31, 2025 and, as of that date, had cash and cash equivalents of \$8.9 million and working capital of \$3.5 million. As stated in Note 2, these events and conditions, along with other matters set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

In the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we have concluded that management's use of the going concern basis of accounting in the preparation of the consolidated financial statements is appropriate.

Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are not a guarantee as to the Company's ability to continue as a going concern.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Valuation of biological assets and inventory

Key Audit Matter

As described in Note 7 to the consolidated financial statements, the Company's biological assets balance as of December 31, 2025, was \$2.7 million and consisted entirely of live plants. They are measured at fair value less costs to sell at the end of each reporting period in accordance with IAS 41 – *Agriculture*. The Company applies a model that utilizes an income approach to determine the fair value less costs to sell at a specific measurement date, based on the existing cannabis plant's stage of completion up to the point of harvest.

As described in Note 8 to the consolidated financial statements, the Company's net inventory as of December 31, 2025, was \$12.8 million and consisted of work-in-progress, finished goods, supplies, packaging and materials. Inventory is recorded at cost and subsequently measured at the lower of cost and net realizable value. Significant inputs and assumptions include the allocation of production and overhead costs to units produced and the incorporation of the fair value less costs to sell of biological assets at the point of harvest, which becomes the initial cost basis for inventory. These estimates require management judgment and are based on operational inputs such as yield expectations, cost accumulation by processing stage, and pricing trends. Additionally, the Company records a provision for obsolete, redundant, or slow-moving inventory, which requires significant judgment.

The valuation of biological assets and inventory was identified as a key audit matter due to the significant assumptions management applied in determining their valuation and the increased level of audit effort required to assess the reasonableness of management's assumptions and estimates.

How our audit addressed the key audit matter

The primary audit procedures performed to address this key audit matter included:

- Obtained an understanding of the Company's internal control activities related to biological assets and inventory.
- Obtained an understanding of management's valuation methodologies for biological assets and inventory, including the assumptions used in estimating yields, lifecycle timing, and fair value inputs for biological assets, as well as the allocation of labor and overhead costs.
- Audited key inputs used in the biological asset valuation model, including estimated yield, loss rate, stage of growth, selling price per gram, and costs to sell, by comparing them to cultivation data, historical harvest performance, recent sales prices, and external market information.
- Evaluated the reasonableness of significant assumptions by testing inventory cost components against historical production data and supporting third-party purchase documentation for inputs such as packaging materials.
- Evaluated the appropriateness of management's methodology and the significant assumptions used in assessing net realizable value and estimating reserves for slow-moving or excess inventory, by comparing them to historical sales data, independent calculations, current selling prices and costs, and evidence obtained in other audit areas.
- Tested the mathematical accuracy of management's calculations and assessed the completeness and accuracy of the underlying data used, including calculations related to the estimated allocation between trim and flower bud and other cultivation-stage metrics that directly influence inventory valuation.
- Evaluated the appropriateness of cost of sales classifications, including considerations related to Section 280(E) of the Internal Revenue Code.
- Assessed the appropriateness of the related disclosures in the consolidated financial statements.

Evaluation of the impairment analysis for goodwill and intangible assets

Key Audit Matter

As described in Notes 11 and 12 to the consolidated financial statements, the carrying values of the Company's goodwill and intangible assets, net of accumulated amortization, were \$1.5 million and \$33.1 million, respectively, as of December 31, 2025. The Company conducts impairment testing annually or when a triggering event occurs that indicates the carrying value of a cash generating unit ("CGU") might exceed its recoverable amount. The Company recognized a \$36.9 million impairment loss for the year ended December 31, 2025 related to its New York CGU, of which \$3.8 million was allocated to intangible assets, \$12.6 million to property, plant and equipment, and \$20.5 million to lease right-of-use assets. No portion of the impairment was allocated to goodwill, as no goodwill is associated with the New York CGU.

We identified the evaluation of goodwill and intangible asset impairment as a key audit matter due to the high degree of auditor judgment required to assess the significant assumptions used in determining fair value estimates. This evaluation involved the use of professionals with specialized skills and knowledge. Additionally, the sensitivity of reasonably possible changes to these assumptions could have a significant impact on the fair value determination and the Company's impairment assessment.

How our audit addressed the key audit matter

The primary audit procedures performed to address this key audit matter included:

- Obtained an understanding of internal controls related to management's impairment assessment process for goodwill and intangible assets.
- Assessed the appropriateness of the CGUs considered in management's impairment analysis, ensuring alignment with the Company's organizational structure and financial reporting.
- Evaluated the impairment analysis performed by a third-party valuation specialist engaged by management, including assessing key assumptions, methodologies, and consistency with relevant accounting standards.
- Reviewed the credentials and expertise of the third-party valuation firm to determine whether its personnel had the necessary qualifications, experience, and industry knowledge to perform the impairment analysis.
- Assessed the reasonableness of the Company's forecasted sales growth rates and margins by comparing growth assumptions to historical performance, industry trends, and relevant market data.
- With the assistance of our firm's valuation specialists, we tested the appropriateness of management's judgments and assumptions in its impairment analysis, including:
 - Verified the mathematical accuracy of the impairment calculations and assessed the completeness and accuracy of the underlying data used.
 - Evaluated the appropriateness of the valuation methodologies applied by management, as well as the reasonableness of key assumptions and inputs, including discount rates, market multiples, risk-free rate, and the weighted-average cost of capital.
 - Performed procedures to assess the impact of potential changes in key assumptions on the fair value of CGUs deemed at risk of impairment.
 - Compared management's key assumptions to historical financial performance, industry and market trends, and corroborating audit evidence to assess their reasonableness.
- Assessed the appropriateness of the related disclosures in the consolidated financial statements.

Evaluation of uncertain tax positions

Key Audit Matter

As described in Note 14 to the consolidated financial statements, the Company has taken uncertain tax positions based on legal interpretations that challenge its tax liability under Internal Revenue Code Section 280(E) and inventory costs for tax purposes. The Company has filed amended tax returns for tax year 2022 based on these legal interpretations. Uncertainty in a tax position may arise because tax laws are subject to interpretation. The Company uses significant judgment to (1) determine whether, based on the technical merits, a tax position is more likely than not to be sustained and (2) measure the amount of tax benefit that qualifies for recognition. As of December 31, 2025, the Company's uncertain tax position was \$60.1 million.

Auditing management's estimate of the amount of tax benefit that qualifies for recognition involved especially challenging judgment because management's estimate is complex, highly subjective and based on interpretations of tax laws and legal rulings.

How our audit addressed the key audit matter

The primary audit procedures performed to address this key audit matter included:

- With the assistance of our tax specialists, we assessed the technical merits of the Company's tax positions, including evaluating income tax interpretations and third-party advice from law firm obtained by the Company and the Company's process of filing tax returns with uncertain tax positions.
- Evaluated the appropriateness of the Company's accounting for its tax positions taking into consideration relevant federal and state income tax laws.
- Analyzed the Company's assumptions and data used to determine the amount of tax benefit to recognize and tested the completeness and accuracy of the calculations.
- Evaluated the adequacy of the Company's consolidated financial statement disclosures related to these tax matters.

Other Information

Management is responsible for the other information. The other information comprises of Management's Discussion and Analysis filed with the relevant Canadian securities commissions.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Lazaro Hernandez.

PKF O'Connor Davies, LLP

New York, New York
April 29, 2026

* * * * *

Fluent Corp.
Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
For the years ended December 31, 2025 and 2024
(Amounts expressed in thousands of United States Dollars unless otherwise stated)

	Notes	December 31, 2025	December 31, 2024
Assets			
Current assets			
Cash and cash equivalents (includes \$4,500 of restricted cash)	17(d)	\$ 8,910	\$ 40,106
Accounts receivable, net		839	422
Biological assets	7	2,670	3,162
Inventories, net	8	12,815	15,155
Prepaid expenses and other current assets	9	3,482	2,587
Total current assets		\$ 28,716	\$ 61,432
Property and equipment, net	10	39,755	52,200
Right-of-use assets, net	18	43,747	46,731
Intangible assets, net	11	33,114	37,590
Goodwill	12	1,525	1,525
Deferred tax assets, net	14	-	1,039
Other assets	13	1,725	6,476
Total assets		\$ 148,582	\$ 206,993
Liabilities and shareholders' deficit			
Current liabilities			
Accounts payable		\$ 6,942	\$ 6,332
Accrued expenses		9,903	8,423
Income taxes payable	14	-	1,003
Derivative liabilities	15	1,632	2,148
Provision liability - current portion	16	-	4,957
Current portion of notes payable	17	1,253	755
Lease obligations - current portion	18	5,474	4,751
Total current liabilities		\$ 25,204	\$ 28,369
Long-term liabilities			
Notes payable, net of current portion and financing costs	17	59,613	68,775
Lease liabilities, net of current portion	18	65,982	51,727
Deferred tax liabilities, net	14	4,053	4,817
Uncertain tax position	14	60,146	43,314
Provision liability, net of current portion	16	7,004	9,044
Convertible notes, net	17	7,540	6,482
Other long-term liabilities		-	3,447
Total long-term liabilities		\$ 204,338	\$ 187,606
Total liabilities		\$ 229,542	\$ 215,975
Shareholders' deficit			
Share capital	19	206,629	206,419
Share-based compensation reserve	19	7,583	7,275
Equity conversion feature	19	7,097	7,097
Warrants		29,634	29,634
Accumulated deficit		(330,707)	(258,211)
Accumulated other comprehensive loss		(1,196)	(1,196)
Total shareholders' deficit		\$ (80,960)	\$ (8,982)
Total liabilities and shareholders' deficit		\$ 148,582	\$ 206,993

Other notes include:

Nature of operations (Note 1)
 Basis of presentation (Note 2)
 Material accounting policy information (Note 3)
 Critical accounting estimated and judgments (Note 4)
 Business combination (Note 5)
 Discontinued operations (Note 6)
 Commitments and contingencies (Note 21)
 Related-party transactions (Note 22)
 Financial instruments and financial risk (Note 23)
 Capital management (Note 24)
 Supplemental cash flow information (Note 26)
 Employee retention tax credits (Note 27)
 Subsequent events (Note 28)

Approved on behalf of the Board:

 Dave Vautrin
Chief Executive Officer (Interim)

 Patricia Fonseca
Chief Financial Officer

Fluent Corp.
Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)
For the years ended December 31, 2025 and 2024
(Amounts expressed in thousands of United States Dollars unless otherwise stated)

	Notes	For the years ended	
		December 31, 2025	December 31, 2024
Revenue, net of discounts		\$ 86,689	\$ 87,392
Cost of goods sold		58,075	43,080
Gross profit before fair value adjustments		28,614	44,312
Fair value adjustments on inventory sold	7	187	(3,642)
Unrealized gain (loss) on changes in fair value of biological assets	7	(733)	7,872
Gross profit		28,068	48,542
Expenses			
General and administrative	20	16,883	17,576
Sales and marketing	20	22,185	20,221
Depreciation and amortization	10, 11	7,370	6,396
Share-based compensation	19	308	538
Total expenses		46,746	44,731
Income (loss) from operations		(18,678)	3,811
Other expense (income)			
Finance costs, net	25	20,854	19,608
Change in fair value of derivative liability	15	(516)	(9,684)
Change in remeasurement of provision liability	16	(5,203)	-
Loss on debt settlement and remeasurement	17	479	8,725
Loss on disposal of assets		490	237
Impairment of intangible assets, property and equipment, and right-of-use assets	10, 11, 18	36,910	64,285
Gain on lease modifications		(253)	(223)
Bargain purchase gain on business combination	5	-	(44,520)
Loss on loan		-	1,201
Income from ERTC Credit	27	(3,447)	-
Other expense (income)		(19)	68
Total other expense, net		49,295	39,697
Income (loss) before income taxes		(67,973)	(35,886)
Income tax expense	14	17,718	5,427
Net income (loss) from continuing operations		(85,691)	(41,313)
Net income (loss) from discontinued operations	6	13,195	923
Net income (loss)		\$ (72,496)	\$ (40,390)
Net loss from discontinued operations		-	-
Net income (loss)		\$ (72,496)	\$ (40,390)
Other comprehensive income (loss)			
Foreign currency translation adjustment		-	(862)
Comprehensive income (loss)		\$ (72,496)	\$ (41,252)
Net income (loss) per share			
Basic and diluted - continuing operations		\$ (0.16)	\$ (0.14)
Basic and diluted - discontinued operations		\$ -	\$ -
Basic - discontinued operations		\$ 0.02	\$ 0.00
Diluted - discontinued operations		\$ 0.02	\$ 0.00
Weighted average number of shares			
Basic number of shares	19	547,787,979	305,528,621
Diluted number of shares	19	667,388,977	319,363,971

Fluent Corp.
Consolidated Statements of Changes in Shareholders' Deficit
For the years ended December 31, 2025 and 2024
(Amounts expressed in thousands of United States Dollars unless otherwise stated)

	Share capital			Reserves						
	Number of unrestricted common shares	Number of exchangeable shares	Amount	Share-based compensation reserve	Equity conversion feature	Warrants	Accumulated deficit	Accumulated other comprehensive loss	Total shareholders' deficit	
Balance, December 31, 2023	299,529,367	-	\$ 183,690	\$ 6,739	\$ 6,677	\$ 29,634	\$ (217,821)	\$ (334)	\$ 8,585	
Common shares issued in business combination (Note 19 c.)	171,547,344	-	12,014	-	-	-	-	-	12,014	
Exchangeable shares issued in business combination (Note 19 b.)	-	153,069,395	10,715	-	-	-	-	-	10,715	
Restricted stock units and options (Note 19)	364,845	-	-	306	-	-	-	-	306	
Shares issued for board fees (Note 19 a.)	865,382	-	-	230	-	-	-	-	230	
Issuance of Bridge Note (Note 17 h.)	-	-	-	-	420	-	-	-	420	
Net loss	-	-	-	-	-	-	(40,390)	-	(40,390)	
Other comprehensive loss, net of tax	-	-	-	-	-	-	-	(862)	(862)	
Balance, December 31, 2024	472,306,938	153,069,395	\$ 206,419	\$ 7,275	\$ 7,097	\$ 29,634	\$ (258,211)	\$ (1,196)	\$ (8,982)	
Shares issued for board fees (Note 19 d.)	4,407,063	-	-	138	-	-	-	-	138	
Restricted stock units and options (Note 19)	4,479,623	-	-	170	-	-	-	-	170	
Conversion of Exchangeable Shares (Note 19 b.)	153,069,395	(153,069,395)	-	-	-	-	-	-	-	
Private placement issuance of shares (Note 19 g.)	3,500,000	-	210	-	-	-	-	-	210	
Net loss	-	-	-	-	-	-	(72,496)	-	(72,496)	
Balance, December 31, 2025	637,763,019	-	\$ 206,629	\$ 7,583	\$ 7,097	\$ 29,634	\$ (330,707)	\$ (1,196)	\$ (80,960)	

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

Fluent Corp.
Consolidated Statements of Cash Flows
For the years ended December 31, 2025 and 2024
(Amounts expressed in thousands of United States Dollars unless otherwise stated)

	For the year ended December 31,	
	2025	2024
Cash flows provided by (used in) operating activities		
Net loss	\$ (72,496)	\$ (40,390)
Adjustments for non-cash items:		
Bargain purchase gain on business combination	-	(44,520)
Loss on issuance and extinguishment of debt instruments, net	-	8,225
Inventory write-down	1,984	81
Intangible assets impairment	3,788	64,285
Right of use assets impairment	20,521	-
Property, plant, and equipment impairment	12,601	-
Unrealized (gain) loss on changes in fair value of biological asset:	733	(7,872)
Realized (gain) loss on fair value amounts included in inventory :	(187)	3,642
Share-based compensation expense	308	538
Depreciation and amortization	21,243	14,995
Accretion and interest expense	21,028	12,370
Income from ERTC tax credit	(3,447)	-
Loss on disposition of fixed assets	491	237
Loss on debt settlement	479	-
Gain on remeasurement of provision liability	(5,203)	-
Loss (gain) on lease modification	(253)	(223)
Gain on disposition of subsidiary	(12,035)	-
Net change in fair value of derivative	(516)	(9,684)
Deferred tax expense (recovery)	275	(12,850)
Net change in non-cash working capital		
Accounts receivable	(417)	24
Biological assets	(20,918)	(17,551)
Inventory	20,884	20,087
Prepaid expenses and other current assets	1,141	1,464
Right of use assets/liabilities	(12,070)	(4,840)
Other assets	4,702	(492)
Accounts payable	(127)	805
Accrued expenses	1,074	(8,430)
Uncertain tax position	16,832	43,314
Other long-term liabilities	-	(435)
Income taxes	(1,003)	(21,006)
Net cash provided by (used in) operating activities (see Note 6)	\$ (588)	\$ 1,774
Cash flows used in investing activities		
Cash acquired through business combination	-	39,501
Purchases of property and equipment	(14,039)	(16,173)
Purchase of intangible assets	(358)	(1,332)
Sale of subsidiaries - Consortium Pennsylvania LLC	11,600	-
Net cash provided by (used in) investing activities (see Note 6)	\$ (2,797)	\$ 21,996
Cash flows used in financing activities		
Net proceeds from issuance of shares and warrants	210	-
Proceeds from issuance of convertible notes, net of financing costs	-	8,975
Mandatory prepayment of term loan	(11,600)	-
Payment of lease obligations	(4,764)	(2,814)
Net proceeds from equipment loan	-	48
Proceeds from term loan, net of financing costs	-	68,976
Repayments of principal on term loan	-	(67,173)
Principal and interest repayments of notes payable	(11,657)	(1,335)
Net cash provided by (used in) financing activities (see Note 6)	\$ (27,811)	\$ 6,677
Net change in cash	(31,196)	30,447
Effect of foreign exchange on cash and cash equivalents	-	(862)
Cash, beginning of period	40,106	10,521
Cash, end of period	\$ 8,910	\$ 40,106

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

Fluent Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024**

(Amounts expressed in thousands of United States Dollars unless otherwise stated)

1. Nature of Operations

Fluent Corp. (the “Company”) was incorporated under the laws of the Province of Ontario, Canada pursuant to the Ontario Business Corporations Act. (“OBCA”) on August 31, 2018. The Company’s registered office is located at 365 Bay Street, Suite 800, Toronto, Ontario, M5H 2V1.

The Company, through its subsidiaries, is licensed to produce and sell medical cannabis in Florida and Texas and was licensed to sell medical cannabis in Pennsylvania, prior to the disposition of its Pennsylvania operations on December 31, 2025 (see Note 6).

Through its acquisition of RIV Capital Inc. on December 19, 2024, the Company is licensed to produce and sell both medical and adult-use cannabis in New York. See Note 5 for further details.

The Company’s medical and adult-use cannabis products are offered in oral drops, capsules, topicals, syringes, dried flower, pre-rolls, cartridges, concentrates, and edibles.

During the years ended December 31, 2025 and 2024, the Company’s operations were organized into four operating segments, resulting in one reportable segment. All revenues for the years ended December 31, 2025 and 2024 were generated in the United States.

2. Basis of Preparation**(a) Statement of compliance**

The annual consolidated financial statements (the “consolidated financial statements”) of the Company 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 issuance by the Board of Directors of the Company on April 29, 2026.

The Company has evaluated the applicability of the IFRS Sustainability Disclosure Standards, including IFRS S1 and IFRS S2, for the current reporting period. The Company operates exclusively through indoor cannabis cultivation facilities and, based on this model, has assessed its direct exposure to climate-related physical risks as limited.

However, the Company acknowledges that indoor operations may still contribute to environmental impact through high energy consumption, reliance on artificial lighting and HVAC systems, water usage, and waste generation. These activities may give rise to transitional risks over time, including changes in energy regulation, carbon pricing mechanisms, local environmental ordinances, and stakeholder expectations regarding sustainability performance.

While climate-related risks and opportunities are not currently assessed as material to the Company’s financial position, performance, or prospects, management continues to monitor evolving regulatory and market developments. The applicability of IFRS S1 and IFRS S2 will be reassessed periodically to ensure ongoing compliance with sustainability-related disclosure requirements

Fluent Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Amounts expressed in thousands of United States Dollars unless otherwise stated)

(b) Material uncertainty related to going concern

These consolidated financial statements have been prepared assuming that the Company will continue as a going concern. The going concern basis of accounting contemplates the realization of assets and the settlement of liabilities in the normal course of business.

As of December 31, 2025, the Company had cash and cash equivalents of \$8,910 and working capital of \$3,512. For the year ended December 31, 2025, the Company incurred a net loss of (\$72,496) and experienced negative operating cash flows of (\$588).

These conditions indicate the existence of events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

Subsequent to year end, the Company has been pursuing strategic initiatives intended to strengthen its liquidity position and support ongoing operations. These initiatives include, among others, obtaining additional financing and pursuing strategic transactions with third parties. While management believes these initiatives may provide a pathway to additional capital and improved liquidity, their success is subject to various conditions not wholly within the Company's control.

Accordingly, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Such adjustments could be material.

(c) Basis of measurement

These consolidated financial statements have been prepared on a historical cost basis except for certain financial assets, derivative and provision liabilities, and biological assets which are measured at fair value at the financial reporting date.

Historical cost is the fair value of the consideration given in exchange for goods and services measured at the time of the transaction.

(d) Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly and majority-owned subsidiaries. Subsidiaries over which the Company has control are fully consolidated from the date control commences until the date control ceases. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights that are substantive are considered. Non-controlling interests in the equity of consolidated subsidiaries are shown separately in the consolidated statements of financial position, consolidated statements of income (loss) and comprehensive income (loss) and in the consolidated statements of changes in shareholders' deficit. The results of subsidiaries acquired during the year are consolidated from the date of acquisition. All intercompany balances and transactions are eliminated on consolidation. The information below lists the Company's subsidiaries that are included in these consolidated financial statements and the ownership interest held as of December 31, 2025 and 2024, respectively.

Fluent Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

	% Ownership December 31, 2025	% Ownership December 31, 2024
Consortium Holdings LLC	100%	100%
Consortium Pennsylvania, LLC	-	100%
Consortium Puerto Rico, LLC	100%	100%
Consortium Texas, LLC	100%	100%
Consortium Canada Holdings Inc.	100%	100%
Fluent Servicing, LLC	100%	100%
Consortium Brazil Ltda.	100%	100%
Consortium Florida, LLC	100%	100%
Consortium Colombia S.A.S.	50%	50%
Spirit Lake Road Nursery, LLC	100%	100%
Cavern Capital Holdings LLC	100%	100%
Fluent Hemp LLC	100%	100%
Consortium International Inc.	100%	100%
Trick Tail Capital LLC	100%	100%
RIV Capital Inc.	100%	100%
2683922 Ontario Inc.	100%	100%
RIV Capital US Corp.	100%	100%
RIV Capital US Services LLC	100%	100%
Allgro Holdings LLC	100%	100%
Etain, LLC	100%	100%

(e) Reclassification of comparative figures

As a result of the transaction disclosed in Note 6, the comprehensive income (loss) of the Pennsylvania cannabis operating segment have been reported as a discontinued operation. The Company has restated the comparative figures in the consolidated statements of income (loss) and comprehensive income (loss) to conform to this presentation.

3. Material accounting policy information**(a) Cash and cash equivalents**

Cash and cash equivalents include cash on hand, demand deposits, and short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

(b) Foreign currency translation

The consolidated financial statements are presented in thousands of United States ("U.S.") dollars unless otherwise stated. The functional currency of the Company and the Company's U.S. and Canadian subsidiaries is the U.S. dollar. The functional currency of the Company's Brazilian subsidiary is the Brazilian real. The functional currency of the Company's Colombian subsidiary is the Colombian peso.

The assets and liabilities of foreign operations are translated into U.S. dollars at period end exchange rates. Income, expenses, and cash flows of foreign operations are translated into U.S. dollars using

average exchange rates. Exchange differences resulting from the translation of foreign operations are recognized in accumulated other comprehensive income (loss) in shareholders' equity.

Foreign currency transactions are translated into the Company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognized in the consolidated statements of income (loss) and comprehensive income (loss).

(c) Business combinations

Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value at the date of acquisition. Acquisition-related transaction costs are expensed as incurred, except for the costs incurred to issue debt or equity securities which are recognized according to specific requirements.

Identifiable assets and liabilities, including intangible assets, of acquired businesses are recorded at their fair value at the date of acquisition. When the Company acquires control of a business, any previously held equity interest is also remeasured to fair value. The excess of the purchase consideration and any previously held equity interest over the fair value of identifiable net assets acquired is goodwill. If the fair value of identifiable net assets acquired exceeds the purchase consideration and any previously held equity interest, the difference is recognized in the consolidated statements of income (loss) and comprehensive income (loss) immediately as a bargain purchase gain.

The consideration transferred to obtain control of an acquiree in a business combination consists of the assets transferred by the acquirer, the liabilities incurred by the acquirer to former owners of the acquiree and the equity interests issued by the acquirer. It includes contingent consideration and certain elements of share-based payment awards exchanged for awards held by the acquiree's employees. Contingent consideration for a business combination is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as a liability is measured at subsequent reporting dates at fair value with the corresponding gain or loss being recognized in the consolidated statement of income (loss) and comprehensive income (loss). If the acquiree's former owners contractually indemnify the Company for a particular uncertainty, an indemnification asset is recognized on a basis that matches the indemnified item, subject to the contractual provisions or any collectability considerations.

A "pre-existing relationship" is any relationship that existed between the acquirer and the acquiree before the business combination was contemplated. Such relationships may be contractual or non-contractual, and include lender and borrower relationships. Because the acquirer consolidates the acquiree following a business combination, pre-existing relationships are effectively settled as a result of the combination. Therefore, such pre-existing relationships are accounted for separately from the business combination. If settlement of a pre-existing relationship is contemplated as part of the business combination and settled prior to the consideration transferred, it is reflected as such within the consideration transferred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted, or additional assets or liabilities are recognized, during the measurement period to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the

Fluent Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Amounts expressed in thousands of United States Dollars unless otherwise stated)

amounts recognized at that time. Upon conclusion of the measurement period or final determination of the values of assets acquired or liabilities assumed, whichever comes first, any subsequent adjustments are recorded in the consolidated statements of income (loss) and comprehensive income (loss).

(d) Biological assets

The Company measures biological assets, which consist of cannabis plants, at fair value less costs to sell ("FVLCS") up to the point of harvest, which becomes the basis for the cost of internally-produced harvested cannabis and finished goods inventory after harvest.

Production costs related to biological assets are capitalized. These costs include the direct costs of seeds and growing materials and consumables, as well as other indirect costs such as utilities and supplies used in the growing process. The cost of direct and indirect labor for individuals involved in the growing and quality control processes is also capitalized, as well as depreciation on production equipment, and overhead costs such as rent and right-of-use asset amortization to the extent it is associated with the growing space. Unrealized fair value gains or losses on the growth of biological assets are reported in a separate line on the face of the consolidated statements of income (loss) and comprehensive income (loss).

(e) Inventory

Inventory includes harvested work-in-progress, finished goods, supplies, packaging and materials. Cost is determined using the average cost method.

The Company capitalizes costs incurred after harvest to bring the products to their present location and condition in accordance with IAS 2, Inventories. The direct and indirect costs of inventory initially include the FVLCS of the biological assets at the time of harvest. They also include subsequent costs such as materials, labor and depreciation expense on equipment involved in manufacturing, processing, packaging, labeling and inspection. All direct and indirect costs related to inventory are capitalized as they are incurred and they are subsequently recorded within "cost of goods sold" on the consolidated statements of income (loss) and comprehensive income (loss) at the time cannabis is sold, except for realized FVLCS amounts included in the carrying value of inventory sold, which are presented as a separate line on the consolidated statements of income (loss) and comprehensive income (loss).

Inventory is measured at the lower of cost or net realizable value on the consolidated statements of financial position. Net realizable value is determined as the estimated selling price in the ordinary course of business less estimated costs to completion and the estimated costs to sell. The Company reviews inventory for obsolete, redundant, and slow-moving goods at each reporting date and any such inventory is written down to net realizable value. Inventory write-downs are recorded in the consolidated statements of income (loss) through cost of goods sold.

(f) Property and equipment

Property and equipment is measured at cost less accumulated depreciation and impairment losses.

The cost of an item of property and equipment includes expenditures that are directly attributable to the acquisition or construction of the asset, including eligible borrowing costs. Expenditures incurred relating to ordinary repairs and maintenance are expensed as incurred unless they meet the criteria for

Fluent Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

capitalization. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset using the following terms:

Land	Not depreciated
Furniture and fixtures	7 Years
Computer equipment	3-7 Years
Manufacturing equipment	7 Years
Leasehold improvements	Straight line over the lesser of useful life or term of the lease
Buildings	20 Years
Vehicles	10 Years

The Company assesses an asset's residual value, useful life and method of depreciation on an annual basis and if any events have indicated a change, then adjustments are made as required. An item of property or equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gains or losses arising from derecognition of an asset are calculated as the difference between the net disposal proceeds and the carrying value of the asset and are recognized in the consolidated statements of income (loss) and comprehensive income (loss).

Costs incurred by the Company for tangible assets of property and equipment that are under construction are capitalized to Property and equipment as incurred. Depreciation on tangible assets under construction does not commence until the assets are ready for use, that is, when the assets are in the location and condition capable of operating in the manner intended by management.

The Company's policy on impairment of property and equipment is included in Note 3(j).

(g) Right of use assets and lease obligations

The right-of-use asset is a lessee's right to use a leased asset over the term of a lease. The asset is calculated as the initial amount of the lease obligation, along with any lease payments made to the lessor before the lease commencement date, in addition to any initial direct costs incurred, excluding any lease incentives received.

Lease obligations are calculated as present value of the lease payments at the lease commencement date. The lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. If that rate cannot be readily determined, the lessee uses the lessee's incremental borrowing rate. Non-lease components such as insurance, maintenance costs, property tax, and other operating expenses are expensed as incurred within "cost of goods sold" or "general and administrative expenses", as applicable, in the consolidated statements of income (loss) and comprehensive income (loss). The lease term comprises the non-cancellable period of the lease together with periods covered by extension options where the Company is reasonably certain to exercise such options, and periods covered by termination options where the Company is reasonably certain not to exercise them.

After the commencement date, the Company recognizes depreciation and impairment of the right-of-use assets and the interest on the lease obligations in the consolidated statement of income (loss) and comprehensive income (loss). Depreciation on right-of-use assets is calculated based on the shorter of the lease term or the estimated useful life, which range from 5 to 12 years. Lease payments that are not fixed and vary based on a variable other than an index or rate are expensed as incurred.

The Company has elected to apply the recognition exemptions for short-term leases and leases of low-value assets. Payments for these leases are recognized as an expense on a straight-line basis over the lease term.

Within the consolidated statements of cash flows, the principal portion of lease payments is presented within financing activities and the interest portion is presented within operating activities.

(h) Intangible assets

Intangible assets are recorded at cost less accumulated amortization and impairment losses, if any. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. Definite life intangible assets are amortized on a straight-line basis over their estimated useful lives, which do not exceed the contractual term, where applicable, as follows:

Trademarks and brands	5 Years
Renewable licenses	2 Years

Cannabis licenses rights and intellectual property acquired in a business combination are recognized initially at fair value at the acquisition date and have an indefinite useful life. The cannabis license in Florida and New York acquired through business combination have an indefinite useful life. Cannabis license renewal fees are capitalized and amortized on a straight-line basis over the term of the license.

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in the consolidated statements of income (loss) and comprehensive income (loss) as incurred.

The estimated useful lives, residual values, and amortization methods are reviewed at each year end, and any changes in estimates are accounted for prospectively. Intangible assets with an indefinite life or not yet available for use are not subject to amortization, but are tested for impairment annually.

(i) Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognized. Goodwill is carried at cost less accumulated impairment losses, if any. The Company monitors goodwill at the cash-generating unit ("CGU") level and accordingly for the purpose of impairment testing, goodwill has been allocated to a CGU or CGU group, as applicable. Goodwill is tested annually for impairment, or more frequently when there is an indication that goodwill may be impaired. If the recoverable amount, representing the higher of its fair value less costs of disposal and its value in use, of the group of CGUs is less than its carrying amount, any resulting impairment loss is first allocated to goodwill and subsequently to other assets on a pro rata basis for each CGU. Assets within the CGU cannot be reduced below their recoverable amount which is the highest of their fair value less costs of disposal, value in use, and zero. Any goodwill impairment loss is recorded in the consolidated statements of income (loss) and comprehensive income (loss) in the period of impairment. Previously recognized impairment losses for goodwill are not reversed in subsequent periods.

(j) Impairment of non-financial assets

The Company assesses at each reporting date whether there is any indication that non-financial assets may be impaired. Intangible assets with indefinite useful lives are tested for impairment annually as of October 1, and when indicators of impairment exist. Where an impairment indicator exists, the Company estimates the recoverable amount of the asset or the CGU to which the asset belongs.

Fluent Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Amounts expressed in thousands of United States Dollars unless otherwise stated)

The recoverable amount is the higher of fair value less costs of disposal and value in use. Value in use is determined by discounting estimated future cash flows using a pre-tax discount rate reflecting current market assessments of the time value of money and the risks specific to the asset or CGU. Fair value less costs of disposal is determined using appropriate valuation techniques, including discounted cash flow models and market-based approaches.

An impairment loss is recognized when the carrying amount of an asset or CGU exceeds its recoverable amount.

The determination of recoverable amount requires significant judgment, including assumptions related to revenue growth, margins, discount rates, and market multiples, based on management's approved forecasts.

Impairment losses for non-financial assets other than goodwill are reviewed at each reporting date for any indications that the loss has decreased or no longer exists and may be reversed to the extent permitted under IAS 36, *Impairment of Assets*.

(k) Provision liabilities

Provisions are recognized on the consolidated statements of financial position when the Company has a present legal or constructive obligation based on past events, it is probable that an outflow of economic resources will be required to settle the obligation, and the amount can be reasonably estimated. Where material, provisions are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the liability.

(l) Discontinued operations

A disposal group qualifies as a discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resell.

Results from discontinued operations are excluded from the results of continuing operations and are presented within a single line in the consolidated statement of comprehensive income (loss) comprised of the post-tax profit or loss of discontinued operations plus the gain or loss recognized on disposition. The Company has restated the comparative figures in the consolidated statements of income (loss) and comprehensive income (loss) to conform to this presentation. Additional disclosures are provided in Note 6. All other notes to the consolidated financial statements include amounts for continuing operations, unless indicated otherwise.

(m) Income taxes

Tax expense recognized in profit or loss comprises the sum of current and deferred taxes not recognized in comprehensive loss or directly in shareholders' equity.

The IRS has taken the position that cannabis operators are subject to the limits of IRC Section 280E under which a tax filer is permitted only to deduct expenses directly related to costs of goods sold. The

Fluent Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

Company's position is that the limits of IRC Section 280E do not apply to its business, and consequently records an uncertain tax position related to its IRC Section 280E position.

Current tax

Current tax assets and/or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the consolidated financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current tax assets and liabilities are presented separately unless there is a legal right to offset.

Deferred tax

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets not recognized are disclosed in the notes where recoverability is uncertain due to lack of expected taxable income. Deferred tax assets may include carryforwards of unused tax losses and credits, subject to recoverability assessment.

Deferred tax assets and liabilities are offset only when the Company has a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity. Changes in deferred tax assets or liabilities are recognized in profit or loss, except to the extent that they relate to items recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

Uncertain tax position

In accordance with IAS 12, *Income taxes*, the Company recognizes current and deferred tax liabilities for uncertain tax positions ("UTP"s) based on the best estimate of the amount expected to be paid to the tax authorities. The Company assesses UTPs using the most likely amount method. The recognition and measurement of UTPs consider the following:

- The technical merits of the tax position, including relevant tax laws and legal precedents.
- The likelihood that the tax authorities will accept or challenge the position.
- Any additional information that becomes available up to the reporting date.

A liability is recorded when it is probable that the entity will be required to make a tax payment. Changes in estimates of UTPs are reflected in the consolidated financial statements in the period in which new information becomes available.

Where interest and penalties on uncertain tax positions are considered to be a component of income tax under local tax law, they are recognized and measured in accordance with IAS 12 and included within the income tax expense in the statement of income (loss) and comprehensive income (loss). The

Fluent Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Amounts expressed in thousands of United States Dollars unless otherwise stated)

Company has determined that the interest and penalties are directly related to income taxes and therefore includes them as current income tax expense.

(n) Revenue

Revenue is recognized by the Company in accordance with IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15"). Through application of the standard, the Company recognizes revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company follows the following steps for accounting for revenue from contracts with customers:

1. Identify the contract with a customer
2. Identify the performance obligation(s)
3. Determine the transaction price
4. Allocate the transaction price to the performance obligation(s)
5. Recognize revenue when/as performance obligation(s) are satisfied

Revenue from the direct sale of cannabis to customers for a fixed price is recognized when the Company transfers control of the goods to the customer at the point of sale and the customer has paid for the goods.

The Company has loyalty points programs (the "Loyalty Programs") for its medical cannabis retail sales that allow patients to earn loyalty points to be used on future purchases. Loyalty points represent a separate performance obligation under IFRS 15. The Company estimates the stand-alone selling price of the loyalty points awarded under the Loyalty Program. The stand-alone selling price is calculated by multiplying the estimated redemption rate and the monetary value assigned to the loyalty points. In estimating the redemption rate the Company considers breakage which represents the portion of the points issued that will never be redeemed. The redemption rate is updated on a quarterly basis and the liability for unredeemed loyalty points is adjusted accordingly, with the change in the liability recognized within net revenue. In estimating the value of the loyalty points issued the Company considers the products available to customers in exchange for loyalty points and customers' preferences. The Company ensures the value assigned to the loyalty points is commensurate to the stand-alone selling price of the products eligible for redemption.

The Company's loyalty points expire one year after the loyalty points are earned.

Local authorities will often impose special taxes on the sale or production of cannabis products. Excise taxes are effectively a production tax that is payable on the gross receipts from medical cannabis sold by an operator to a certified patient or designated caregiver.

The medical excise tax and adult-use distribution tax in New York (formerly, the adult-use potency tax) are borne by the Company and are not taxes on the patient or customer. As such, the Company acts as principal, and these amounts are included in gross revenue. Revenue, net presented in the consolidated statements of income (loss) and comprehensive income (loss) reflects revenue as computed under IFRS 15, *Revenue*, net of applicable medical excise taxes and New York adult-use distribution taxes.

(o) Share-based compensation

The Company recognizes compensation expense for stock options granted to its employees and directors at the fair value of the awards on the date of grant. The Company uses the Black-Scholes valuation model to determine the grant-date fair value of stock options. The Company measures

restricted stock units ("RSUs") using the share price on the date of grant. Share-based compensation expense is recognized over the vesting period. Forfeitures are recognized within share-based compensation expense as a recovery in the period they occur. The impact of the revision of the original estimate is recognized in the consolidated statements of income (loss) and comprehensive income (loss).

Where the terms and conditions of equity instruments are modified before they vest, the increase in the fair value of the equity instruments, measured immediately before and after the modification, is recognized within the consolidated statement of income (loss) and comprehensive income (loss).

(p) Basic and diluted net loss per share

Basic earnings (loss) per share ("EPS") is calculated by dividing the net income (loss) attributable to common shareholders by the weighted average number of common shares outstanding in the period. Diluted EPS is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted income (loss) earnings per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period. Convertible debt, exchangeable shares, and other equity instruments are assessed for dilution on an "if-converted" basis.

When a loss is incurred during a period, basic and diluted loss per share is the same because the exercise of share equivalents is then considered to be "anti-dilutive".

(q) Borrowing costs

A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing costs attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets for periods preceding the dates the assets are available for their intended use. Capitalization of borrowing costs begins when expenditures and borrowing costs are incurred, and activities necessary to prepare the qualifying asset are in progress. Capitalization of borrowing costs is suspended during extended periods in which active development is interrupted and ceases when the asset is ready for its intended use or sale.

(r) Financial instruments (See also Note 23)

Financial assets

Recognition and initial measurement

The Company recognizes financial assets when it becomes party to the contractual provisions of the instrument. Financial assets are measured initially at their fair value plus, in the case of financial assets not subsequently measured at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to their acquisition. Transaction costs attributable to the acquisition of financial assets subsequently measured FVTPL are expensed in the consolidated statements of income (loss) and comprehensive income (loss) when incurred.

Classification and subsequent measurement

On initial recognition, financial assets are classified as subsequently measured at amortized cost, FVTPL, or fair value through other comprehensive income ("FVTOCI"). The Company determines the

Fluent Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Amounts expressed in thousands of United States Dollars unless otherwise stated)

classification of its financial assets, together with any embedded derivatives, based on the business model for managing the financial assets and their contractual cash flow characteristics.

Financial assets are classified as follows:

- Amortized cost – Assets that are held for collection of contractual cash flows where those cash flows are solely payments of principal and interest are measured at amortized cost. Interest revenue is calculated using the effective interest method and gains or losses arising from impairment, foreign exchange and derecognition are recognized in the consolidated statements of income (loss) and comprehensive income (loss) when incurred.
- Fair value through other comprehensive income – Assets that are held for collection of contractual cash flows and for selling the financial assets, and for which the contractual cash flows are solely payments of principal and interest, are measured at fair value through other comprehensive income. Interest income calculated using the effective interest method and gains or losses arising from impairment and foreign exchange are recognized in profit or loss. All other changes in the carrying amount of financial assets are recognized in comprehensive income.
- Mandatorily at fair value through profit or loss – Assets that do not meet the criteria to be measured at amortized cost, or fair value through other comprehensive income, are measured at fair value through profit or loss. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss.
- Designated at fair value through profit or loss – On initial recognition, the Company may irrevocably designate a financial asset to be measured at fair value through profit or loss in order to eliminate or significantly reduce an accounting mismatch that would otherwise arise from measuring assets or liabilities, or recognizing the gains and losses on them, on different bases. All interest income and changes in the financial assets' carrying amount are recognized in profit or loss. The Company does not hold any financial assets designated to be measured at fair value through profit or loss.

In certain cases, the Company may make the following irrevocable designation/election at initial recognition of a financial asset, on an asset-by-asset basis:

- The Company may designate an equity investment that would otherwise be classified as FVTPL and that is neither held for trading nor contingent consideration arising from a business combination to be classified as FVTOCI.

Business model assessment

The Company assesses the objective of its business model for holding a financial asset at a level of aggregation which best reflects the way the business is managed, and information is provided to management. Information considered in this assessment includes stated policies and objectives.

Contractual cash flow assessment

The cash flows of financial assets are assessed as to whether they are solely payments of principal and interest based on their contractual terms. For this purpose, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money, the credit risk associated with the principal amount outstanding, and other basic lending risks and costs. In performing this assessment, the Company considers factors that would alter the timing and amount of cash flows such as prepayment and extension features, terms that might limit the Company's claim to cash flows, and any features that modify consideration for the time value of money.

Fluent Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

Impairment

The Company recognizes a loss allowance for the expected credit losses (“ECLs”) associated with its financial assets, other than financial assets measured at fair value through profit or loss.

ECLs represent a probability-weighted estimate of the present value of expected credit losses, discounted at the effective interest rate. The Company recognizes a loss allowance for ECLs on its financial assets that are not measured at FVTPL, comprised of its accounts receivable. No impairment loss is recognized for investments in equity instruments accounted for under IFRS 9.

The quantum of ECLs is updated at each reporting date to reflect changes in the credit risk associated with each respective financial instrument since initial recognition.

Where the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to the 12-month ECLs. The ECLs on these financial assets are measured as the probability-weighted present value of all expected cash shortfalls over the remaining expected life of the financial instrument, giving consideration to collateral and reasonable and supportable information about past events, current economic conditions, and forecasts of future events. The estimation and application of forward-looking information requires significant judgement. The Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition.

The gross balance of a financial asset is written-off, and its corresponding ECL provision is derecognized, when the Company has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Company determines that the counterparty does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off when due. Financial assets written off may still be subject to enforcement activities under the Company’s recovery procedures, taking into account legal advice where appropriate. Any subsequent recoveries made would be recognized in profit or loss at the time of recovery.

Impairment losses are recognized in profit or loss with a corresponding adjustment to the loss allowance for expected credit losses for financial assets measured at amortized cost. The loss allowance is remeasured at each reporting date to reflect changes in credit risk and forward-looking information. Changes in the loss allowance, including reversals of previously recognized impairment losses, are recognized in profit or loss in the period of change.

Derecognition of financial assets

The Company derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expires, or when a transaction qualifies as a transfer.

Financial liabilities*Recognition and initial measurement*

The Company recognizes a financial liability when it becomes party to the contractual provisions of the instrument. At initial recognition, the Company measures financial liabilities at their fair value plus transaction costs that are directly attributable to their issuance, with the exception of financial liabilities

Fluent Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

subsequently measured at fair value through profit or loss for which transaction costs are immediately recorded in profit or loss.

Compound financial instruments are instruments that contain both a financial liability (such as an obligation to make payments of principal and interest) and an equity component (such as an equity conversion feature). Compound financial instruments are accounted for by the issuer separately by their components based on the substance of the instrument. If the equity conversion feature results in the issuance of a fixed number of an entity's own equity instruments (the "fixed-for-fixed" criteria), the equity conversion feature will be treated as equity. If the fixed-for-fixed criteria is not met, the equity conversion feature is an embedded derivative and is measured at FVTPL.

Classification and subsequent measurement

Subsequent to initial recognition, all financial liabilities other than those measured at FVTPL are measured at amortized cost using the effective interest method. Interest expense, gains, and losses relating to a financial liability are recognized in profit or loss.

Derecognition of financial liabilities

The Company derecognizes financial liability only when its contractual obligations are discharged, cancelled, or expired.

Derivative liabilities

Derivative liabilities are initially recognized at fair value at the date on which the derivative contract was entered into. Any attributable transaction costs are recognized in the consolidated statements of income (loss) and comprehensive income (loss) as incurred.

Subsequent to initial recognition, derivative liabilities are measured at fair value at each reporting date until settlement, with the re-measurement gain or loss being recognized immediately in the consolidated statements of income (loss) and comprehensive income (loss).

Classification of financial assets and financial liabilities

The Company's financial assets and liabilities are classified as outlined below:

	Classification
Cash and cash equivalents	Amortized cost
Accounts receivable	Amortized cost
Accounts payable	Amortized cost
Accrued expenses	Amortized cost
Derivative liabilities	FVTPL
Notes payable	Amortized cost
Lease obligations	Amortized cost
Convertible notes	By component; amortized cost or FVTPL
Other long-term liabilities	Amortized cost

Fluent Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Amounts expressed in thousands of United States Dollars unless otherwise stated)

(s) Segment reporting

An operating segment is a component of the Company for which discrete financial information is available and whose operating results are regularly reviewed by the entity's Chief Operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and that engaged in business activities from which it may earn revenue and incur expenses.

The Company's chief operating decision maker ("CODM") is represented by executive personnel. The Company cultivates, manufactures processes, distributes, and sells cannabis products across four states, in both medical and adult-use markets (where state regulations permit), and through retail and wholesale channels (where state regulations permit). The CODM reviews Company performance by geographic area. For management purposes, during the years ended December 31, 2025 and 2024, the Company was organized into the following operating segments:

- Florida cannabis operations
- New York cannabis operations
- Pennsylvania cannabis operations
- Texas cannabis operations

As permitted under IFRS 8, *Operating Segments*, the Company applies aggregation criteria across its identified operating segments based on similarity in economic characteristics, products sold, production processes, customer base, and delivery methods. As such, the Company has one reportable segment, being its U.S. cannabis platform.

(t) Accounting standards and amendments issued and adopted

Certain new accounting standards, amendments, and interpretations have been published that are effective in the current period and are either not applicable to the Company or have been assessed by the Company and do not have a material impact on results.

(u) Accounting standards and amendments issued but not yet adopted or effective

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements* ("IFRS 18"), which replaces IAS 1, *Presentation of Financial Statements*. The new guidance is expected to improve the usefulness of information presented and disclosed in the financial statements of companies. IFRS 18 introduces a defined structure for the statement of income (or loss), where companies will be required to present separate categories of income and expenses for operating, investing, and financing activities with prescribed subtotals for each new category. IFRS 18 also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information.

IFRS 18 does not modify the recognition and measurement provisions of items in the financial statements. However, since items within the statement of income (or loss) must be classified into one of five categories (operating, investing, financing, taxes on income, and discontinued operations), it may impact the entity's operating income. The publication of IFRS 18 has also resulted in consequential narrow scope amendments to other accounting standards, including IAS 7, *Statement of Cash Flows*, and IAS 34, *Interim Financial Reporting*.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively. Early adoption is permitted, but will need to be disclosed. The Company is currently assessing the impact of IFRS 18, including the impact of the consequential amendments to other accounting standards, on its consolidated financial statements. The Company expects IFRS 18 will result in changes in the way financial information is organized and presented internally to align with the standard's structure. The Company will also assess alignment of IFRS 18 requirements with its reportable segment disclosures under IFRS 8.

Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments

In May 2024, the IASB issued amendments to IFRS 9, *Financial Instruments* ("IFRS 9") and IFRS 7, *Financial Instruments: Disclosures* ("IFRS 7"). The amendments clarify the date of recognition and derecognition of financial assets and liabilities, clarify and add further guidance for assessing whether a financial asset meets the "solely payments of principal and interest" criterion, add new disclosures for financial instruments with contractual terms that can change cash flows, and update the disclosure for equity investments designated at FVTOCI. The amendments are effective for annual reporting periods beginning on or after January 1, 2026, with earlier adoption permitted. The Company is currently assessing the impact of the amendments on its consolidated financial statements.

Certain other new amendments and interpretations have been published that are effective in future annual reporting periods that are either not reasonably expected to be relevant for the Company or are not anticipated to have a material impact on results. The Company intends to adopt these standards when they become effective.

4. Critical accounting estimates and judgments

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods.

Critical judgments, estimates and assumptions that have the most significant effect on the amounts recognized in the consolidated financial statements are described below.

(i) 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.

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 may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total future net cash flows expected to be derived from the asset. The evaluations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied.

Fluent Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Amounts expressed in thousands of United States Dollars unless otherwise stated)

Certain fair values may be estimated at the acquisition date pending confirmation or completion of the valuation process. Where provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods. However, the measurement period may last up to one year from the acquisition date. In estimating the fair value of a financial asset or a liability, the Company uses market-observable data to the extent it is available. Where such "Level 1" inputs are not available, the Company uses various valuation models to determine the fair value of its financial instruments that maximize the use of observable inputs and minimize the use of unobservable inputs.

(ii) Biological assets and inventory

In calculating the value of biological assets and inventory, management is required to make several estimates, including the stage of growth of the plant up to the point of harvest, harvesting and post-harvest costs, plant attrition, average or expected selling prices, and expected yields for the plants.

In calculating final inventory values, management compares the inventory cost to estimated net realizable value.

Changes in these assumptions could have a material impact on the fair value of biological assets and inventory. Further information on estimates used in determining the fair value of biological assets is included in Note 7.

(iii) Estimated useful lives and depreciation of property and equipment, and impairment of intangible assets

Depreciation and amortization of property and equipment and intangible assets are dependent upon estimates of useful lives based on management's judgment. The assessment of any impairment of these assets is dependent upon estimates of recoverable amounts considering factors such as economic and market conditions and the useful lives of assets.

Goodwill and indefinite life intangible asset impairment testing require management to make estimates in the impairment testing model. Annually, the Company tests whether goodwill and indefinite life intangible assets are impaired.

Impairment of definite long-lived assets is influenced by judgment in defining a CGU and determining the indicators of impairment, and estimates used to measure impairment losses.

The recoverable value of goodwill, indefinite and definite long-lived assets is determined using discounted future cash flow models, which incorporate assumptions regarding future events, specifically future cash flows, growth rates and discount rates.

(iv) Loyalty Program liability

In calculating the Company's Loyalty Programs liability, the Company uses historical and industry forfeiture rates. The key assumptions used for the rate are based on the available lookback of the Company's customers historical forfeiture rates.

(v) Derivative liabilities

In calculating the fair value of its derivative liabilities, the Company uses either the Black-Scholes model or the Monte-Carlo simulation model, for Level 3 recurring fair value measurements to estimate fair value at each reporting date. The key assumptions used in the models are similar and include the expected

Fluent Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

future volatility in the price of the Company's shares, the fair value of the price of the Company's shares and the expected life of the underlying instrument.

(vi) Leases

Leases requires lessees to discount lease payments using the rate implicit in the lease if that rate is readily available. If that rate cannot be readily determined, the lessee is required to use its incremental borrowing rate. The Company generally uses the incremental borrowing rate when initially recording real estate leases as the implicit rates are not readily available as information from the lessor regarding the fair value of underlying assets and initial direct costs incurred by the lessor related to the leased assets is not available. The Company determines the incremental borrowing rate as the interest rate the Company would pay to borrow over a similar term the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Leases requires lessees to estimate the lease term. In determining the period which the Company has the right to use an underlying asset, management considers the non-cancellable period along with all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

(vii) Convertible debentures

The identification of convertible note components is based on interpretations of the substance of the contractual arrangement and therefore requires judgment from management. The separation of the components affects the initial recognition of the convertible debenture at issuance and the subsequent recognition of interest on the liability component. The determination of the fair value of the liability component is also based on a number of assumptions, including contractual future cash flows, discount rates and the presence of any derivative financial instruments.

(viii) Going concern

At each reporting period, management assesses the basis of preparation of the consolidated financial statements. These consolidated financial statements have been prepared on a going concern basis in accordance with IFRS. The going concern basis of presentation assumes that the Company will continue its operations for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

(ix) Income taxes and recoverability of potential deferred tax assets

Income taxes and tax exposures recognized in the consolidated financial statements reflect management's best estimate based on facts known at the reporting date. When the Company anticipates a future income tax payment based on its estimates, it recognizes a liability.

The difference between the expected amount and the final tax outcome has an impact on current and deferred taxes when the Company becomes aware of this difference. In addition, when the Company incurs losses for income tax purposes, it assesses the probability of taxable income being available in the future based on its budgeted forecasts. These forecasts are adjusted to take into account certain non-taxable income and expenses and specific rules on the use of unused credits and tax losses. When the forecasts indicate that sufficient future taxable income will be available to deduct the temporary differences, a deferred tax asset is recognized for all deductible temporary differences.

Fluent Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Amounts expressed in thousands of United States Dollars unless otherwise stated)

(x) Determining the unit of account

In circumstances where the Company enters into multiple transactions with the same party, and during the same time, the Company must determine whether these transactions should be accounted for by the substance of the rights and obligations, or from the legal form of the individual contracts. In determining the unit of account for the transactions, management uses judgment to consider the terms of the contracts, timing of when the contracts were entered into, who they were entered into with, the fair value of the contracts and whether the series of transactions were designed to achieve an overall commercial effect. All terms in a contract are considered unless they have no substance. Terms have no substance if there is no overall commercial effect. A group of contracts may achieve, or be designed to achieve, an overall commercial effect. In these cases, it may be necessary to treat the rights and obligations arising from that group of contracts as a single unit of account.

When determining fair value at initial recognition, management considers factors specific to the transaction and to the asset or liability. Fair value is considered the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Judgment is required by management to determine when the transaction price may not represent the fair value of an asset or a liability at initial recognition. This could be the case for transactions between related parties, transactions that take place under duress, or when the unit of account represented by the transaction price is different from the unit of account for the asset or liability measured at fair value.

Where management has determined that a transaction should be accounted for based on its substance, the transaction is measured according to the significant accounting policy for each financial statement element of the transaction, allocating fair value where applicable.

5. Business combination

On May 30, 2024, the Company and RIV Capital Inc. ("RIV Capital") entered into a definitive arrangement agreement pursuant to which the Company would acquire all of the issued and outstanding Common Shares in exchange for common shares of the Company (the "RIV Transaction"). RIV Capital, through its subsidiary Etain LLC, is a vertically integrated cannabis company licensed in New York state to cultivate, manufacture, process, and distribute both medical and adult-use cannabis in both retail and wholesale markets. Through the RIV Transaction, the Company would have access to cannabis operations in New York state and have access to RIV Capital's significant cash balance, which will enable the Company to continue its growth objectives. Expected synergies include cultivation, processing, and operating efficiencies, corporate integration and elimination of duplicative public company costs in the combined company.

On December 19, 2024, following receipt of requisite shareholder and regulatory approvals, the RIV Transaction was effected and RIV Capital shareholders received 1.245 Fluent common shares in exchange for each RIV share held. This resulted in the issuance of 171,547,344 Fluent common shares. As the Company acquired 100% of the issued and outstanding common shares of RIV Capital, there is no resulting non-controlling interest.

In connection with the RIV Transaction, the Company created a new class of non-voting exchangeable shares (the "Fluent Exchangeable Shares") that are convertible into Fluent common shares on a one-for-one basis. The Company issued 153,069,395 to The Hawthorne Collective, a previous creditor of RIV Capital, at closing. See Note 19b.

Fluent Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

The Company incurred legal and advisory costs of \$4,089 in connection with the RIV Transaction. These costs are included within “general and administrative” expenses on the consolidated statements of income (loss) and comprehensive income (loss) for the year ended December 31, 2024.

The fair values of the identifiable assets acquired and liabilities assumed as at the acquisition of control date of December 19, 2024, were as follows:

	RIV Capital
IDENTIFIABLE ASSETS ACQUIRED	
Cash and cash equivalents	\$ 39,501
Accounts receivable and other receivables	231
Inventory	6,697
Biological assets	350
Prepaid expenses	75
Other current assets	97
Right-of-use assets	14,169
Property, plant, and equipment	18,650
Intangible assets	7,375
Other long-term assets	5,077
Deferred tax assets	1,021
Total assets acquired at fair value	93,243
LIABILITIES ASSUMED	
Accounts payable and accrued liabilities	7,074
Lease liabilities	14,169
Provision liabilities	13,981
Loyalty program liabilities	69
Total liabilities acquired at fair value	35,293
Bargain purchase	(44,520)
Total purchase price	13,430

As the fair value of identifiable net assets exceeded the fair value of consideration transferred, a bargain purchase gain was recognized in the Company’s annual consolidated statement of income (loss) and comprehensive income (loss) for the year ended December 31, 2024. No goodwill arose from the business combination with RIV Capital.

Fluent Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

The total fair value of consideration payable pursuant to the RIV Transaction as at the acquisition of control date was as follows:

	Total
Common share consideration	12,008
Settlement of pre-existing relationship	
Exchangeable shares issued ⁽¹⁾	10,715
Settlement of Bridge Note payable ⁽²⁾	(9,293)
Total fair value of consideration	\$ 13,430

⁽¹⁾ Concurrently with closing of the RIV Transaction, the Company issued the Fluent Exchangeable Shares to The Hawthorne Collective in exchange for the Hawthorne Notes receivable which were issued by RIV Capital. The Hawthorne Notes receivable were set-off against the balance of the Bridge Note payable plus accrued interest owing by the Company to RIV Capital prior to closing.

⁽²⁾ Represents the principal amount of the Bridge Note payable of \$8,975 plus accrued interest of \$318 that was set-off in connection with the RIV Transaction.

Common share and Fluent Exchangeable Share consideration were measured using the Fluent share price on the date of the RIV Transaction. The RIV Transaction did not include any contingent or deferred consideration. Total consideration was allocated to the estimated fair values of the assets acquired and liabilities assumed as of the date of the acquisition of control, being December 19, 2024. These estimated fair values involve significant judgement and assumptions. Specifically, the estimated fair values of certain intangible assets acquired were based upon management's projections of cash flows expected to be derived from the use of these assets. Such cash flow projections reflect judgement regarding management's expectations of the impact of IRC Section 280E. Identifiable intangible assets acquired through the RIV Transaction include cannabis license rights in New York and the Etain brand. No indemnification arrangements were recognized or assumed.

The Company consolidates the results of RIV Capital from the acquisition of control date, being December 19, 2024. The Company's consolidated statements of income (loss) and comprehensive income (loss) for the year ended December 31, 2025 include net revenue of \$15,117 and net loss of (\$45,953) from RIV Capital (year ended December 31, 2024 – net revenue of \$766 and net loss of (\$139)).

The purchase price allocation is final as of December 31, 2025.

6. Discontinued operations

On December 31, 2025, the Company completed the sale of its Pennsylvania operations for cash proceeds of \$12,500. The sale price may be adjusted pursuant to a customary working capital adjustment. As of the date of the consolidated financial statements the working capital adjustment did not result in a change to the purchase price.

The disposition included all of the assets and liabilities the held within its wholly owned subsidiary, Consortium Pennsylvania LLC, and comprises the entire Pennsylvania cannabis operating segment. The Company determined that the Pennsylvania operating segment constitutes a component of the Company as it represents a separate major geographical area of operation. Accordingly, the results of the Pennsylvania cannabis operating segment have been presented as results from discontinued operations for the years ended December 31, 2025 and 2024.

Fluent Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

The Company recognized a gain on disposition of the Pennsylvania business as calculated below. The gain on disposition is presented within net income (loss) from discontinued operations.

Cash proceeds	\$ 12,500
Costs to sell	(900)
Net proceeds	\$ 11,600
Cash	674
Inventory	336
Prepaid expenses	54
Property and equipment, net	710
Right-of-use assets, net	2,022
Accounts payable and accrued expenses	(1,263)
Deferred revenue	(337)
Lease liabilities	(2,631)
Carrying value of net assets disposed	\$ (435)
Gain on disposition	\$ 12,035

Comparative figures for the year ended December 31, 2024 have been re-presented to reflect the classification of the Pennsylvania operations as discontinued operations. This re-presentation did not impact total net income (loss) or comprehensive income (loss), but resulted in a reclassification between continuing and discontinued operations. Net income (loss) from discontinued operations for the years ended December 31, 2025 and 2024 is as follows:

	Years ended December 31,	
	2025	2024
Revenue, net	\$ 14,702	\$ 16,170
Cost of goods sold	9,096	10,154
Gross profit	\$ 5,606	\$ 6,016
Operating expenses		
General and administrative	7	26
Sales and marketing	2,276	2,584
Depreciation and amortization	685	682
Total operating expenses	2,968	3,292
Income from operations	2,638	2,724
Other expense (income)		
Finance costs, net	322	344
Other expense (income)	-	194
Total other expense (income)	322	538

Fluent Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

Net income (loss) from discontinued operations before gain on disposal and income taxes	2,196	2,186
Gain on disposition of Pennsylvania cannabis operation	12,035	-
Current income tax expense	1,156	1,263
Net income (loss) from discontinued operations	\$ 13,195	\$923

Cash flows from (used in) discontinued operations reported in the consolidated statements of cash flows for the years ended December 31, 2025 and 2024 are as follows:

	Years ended December 31,	
	2025	2024
Cash flows provided by operating activities	\$ 1,902	\$ 3,076
Cash flows used in investing activities	(3,182)	(2,786)
Cash flows used in financing activities	(210)	(187)
Cash flows provided by (used in) discontinued operations	\$ (1,490)	\$103

7. Biological assets

Biological assets are measured at fair value less costs to sell in accordance with IFRS 41, *Agriculture*.

Fair value is determined using an income approach based on internally developed valuation models. The valuation incorporates significant unobservable inputs, including expected yield per plant, stage of completion of the cultivation cycle, expected selling price per gram, expected costs to sell, and expected plant attrition prior to harvest.

The stage of completion is determined based on the proportion of the average cultivation cycle completed as at the reporting date. The Company's average cultivation cycle is approximately 13 weeks.

Movement in the Company's biological assets for the years ended December 31, 2025 and 2024 is outlined below:

	December 31, 2025	December 31, 2024
Balance at beginning of period	\$ 3,162	\$ 331
Acquired through business combination	-	350
Cost incurred until harvest	20,918	17,552
Effect of unrealized change in fair value of biological assets	(733)	7,872
Transferred to inventory upon harvest	(20,677)	(22,943)
Balance at end of period	\$ 2,670	\$ 3,162

The net change in fair value less costs to sell is recognized in the statement of income (loss) and comprehensive income (loss) in the period in which it arises.

The fair value of biological assets is classified as Level 3 within the fair value hierarchy under IFRS 13, *Fair Value Measurement*, as the valuation is based on significant unobservable inputs. There is no active market for

Fluent Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

cannabis plants in their current condition. The key assumptions used in determining the fair value of biological assets include:

- Expected plant attrition prior to harvest
- Expected yield per plant (grams per plant)
- Stage of completion of the cultivation cycle
- Expected selling price per gram
- Expected costs to sell per gram

Due to differences in market conditions, pricing, and cultivation practices, unique assumptions are applied for Florida and Texas operations compared to New York operations.

A 10% increase or decrease in these significant unobservable inputs would result in a corresponding increase or decrease in the fair value of biological assets. The sensitivity to each assumption is presented in the tables below.

Florida and Texas

Assumptions	As at December 31, 2025		As at December 31, 2024	
	Input	10% Change	Input	10% Change
i. Weighted average of expected loss of plants until harvest	6%	\$ 12	5%	\$15
ii. Expected yields for cannabis plants (average grams per plant)	79	\$ 180	85	\$279
iii. percentage of total growing weeks as at period end	55%	\$ 180	51%	\$279
iv. Estimated selling price per gram	\$6.13 per gram	\$ 873	\$7.87 per gram	\$1,240
v. Cost to sell per gram per flower and trim, respectively	\$2.04 per gram	\$ 692	\$3.34 per gram	\$961

New York

Assumptions	As at December 31, 2025		As at December 31, 2024	
	Input	10% Change	Input	10% Change
i. Weighted average of expected loss of plants until harvest	5%	\$5	1%	\$3
ii. Expected yields for cannabis plants (average grams per plant)	127	\$98	155	\$2
iii. percentage of total growing weeks as at period end	64%	\$98	49%	\$3
iv. Estimated selling price per gram	\$1.75 per gram	\$120	\$1.90 per gram	\$40
v. Cost to sell per gram per flower and trim, respectively	\$1.42 per gram	\$23	\$0.35 per gram	\$9

As at December 31, 2025, the Company's biological assets were expected to yield approximately:

- 3,844,369 grams of dry cannabis for Florida and Texas (December 31, 2024 – 5,005,531 grams)
- 1,827,892 grams of dry cannabis for New York (December 31, 2024 – 467,372 grams)

As at December 31, 2025, the Company had:

- 51,997 plants in Florida and Texas (December 31, 2024 – 63,168 plants)
- 13,392 plants in New York (December 31, 2024 – 6,533 plants)

8. Inventory

As of December 31, 2025 and 2024, inventory consisted of the following:

Fluent Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

	December 31, 2025	December 31, 2024
Supplies, packaging and materials	\$ 2,402	\$ 2,500
Work in progress	7,480	7,608
Finished goods	4,868	5,047
Inventory reserve	(1,935)	-
Balance at end of period	\$ 12,815	\$ 15,155

Inventory material costs expensed to cost of goods sold during the years ended December 31, 2025 and 2024 were \$22,374 and \$17,256, respectively. Salaries and benefits expensed to cost of goods sold during the years ended December 31, 2025 and 2024 were \$13,818 and \$11,093, respectively. Depreciation and amortization expensed to costs of goods sold for the years ended December 31, 2025 and 2024 were \$11,217 and \$7,774, respectively.

The Company's inventory reserve reflects the value of slow-moving products and packaging not expected to be repurposed.

9. Prepaid expenses and other current assets

Prepaid expenses and other current assets as of December 31, 2025 and 2024 consist of the following:

	December 31, 2025	December 31, 2024
Prepaid insurance	\$ 337	\$ 344
Other prepaid expenses	435	265
Tenant improvement allowance	650	490
Prepaid inventory	110	524
Insurance financing	853	786
Other current assets	1,097	178
Balance at end of period	\$ 3,482	\$ 2,587

10. Property and equipment

A reconciliation of the beginning and ending balances of property and equipment for the years ended December 31, 2025 and 2024 is as follows:

Fluent Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Amounts expressed in thousands of United States Dollars unless otherwise stated)

	Land	Furniture and Fixtures	Computer Equipment	Manufacturing Equipment	Leasehold Improvements	Construction in Progress	Vehicles	Total
Cost								
Balance as of January 1, 2024	212	1,590	2,125	11,083	42,429	894	458	58,791
Acquired through business combination	-	235	-	3,066	5,934	9,335	80	18,650
Additions	-	25	83	1,219	3,858	10,938	50	16,173
Disposals	(212)	(131)	(25)	-	(624)	-	-	(992)
Balance as of December 31, 2024	-	1,719	2,183	15,368	51,597	21,167	588	92,622
Accumulated depreciation								
Balance as of January 1, 2024	-	725	1,557	5,459	23,247	-	161	31,149
Additions	-	213	342	1,650	7,780	-	51	10,036
Disposals	-	(128)	(25)	-	(610)	-	-	(763)
Balance as of December 31, 2024	-	810	1,874	7,109	30,417	-	212	40,422
Property and equipment, net	\$ -	\$ 909	\$ 309	\$ 8,259	\$ 21,180	\$ 21,167	\$ 376	\$ 52,200
Cost								
Balance as of January 1, 2025	-	1,719	2,183	15,368	51,597	21,167	588	92,622
Additions	-	434	15	2,071	30,690	(19,171)	-	14,039
Disposals	-	(235)	(3)	(778)	(563)	(58)	-	(1,637)
Disposal through sale of business component	-	(53)	(131)	-	(2,303)	-	-	(2,487)
Impairment	-	(99)	-	(1,696)	(10,773)	-	(33)	(12,601)
Balance as of December 31, 2025	-	1,766	2,064	14,965	68,648	1,938	555	89,936
Accumulated depreciation								
Balance as of January 1, 2025	-	810	1,874	7,109	30,417	-	212	40,422
Additions	-	287	192	2,138	9,993	-	76	12,686
Disposals	-	(135)	(1)	(632)	(383)	-	-	(1,151)
Disposal through sale of business component	-	(30)	(122)	-	(1,624)	-	-	(1,776)
Balance as of December 31, 2025	-	932	1,943	8,615	38,403	-	288	50,181
Property and equipment, net	\$ -	\$ 834	\$ 121	\$ 6,350	\$ 30,245	\$ 1,938	\$ 267	\$ 39,755

During the years ended December 31, 2025 and 2024, the Company capitalized \$10,211 and \$7,233 of depreciation to biological assets and inventory, respectively.

During the year ended December 31, 2025, the Company commenced operations at two cultivation sites located in Tampa, Florida, and Buffalo, New York. Accordingly, \$22,803 of fixed assets previously classified as construction-in-progress were reclassified to leasehold improvements. Transfers from construction-in-progress to leasehold improvements are included within net additions in the table above.

In connection with the Company's annual impairment testing of its indefinite life intangible assets on October 1, 2025, it was determined that the recoverable amount of the New York CGU was below its carrying amount. Accordingly, the Company recognized an impairment expense of \$36,910. As there is no goodwill attributable to the Company's New York CGU, the Company allocated the impairment expense pro rata among the applicable assets within the New York CGU, which included property and equipment, net, intangible assets, net, and right-of-use assets, net. This resulted in an impairment charge of \$12,601 recorded to the Company's New York property and equipment, net. See Note 11 and Note 18 for further details. No impairment was recognized on the Company's remaining fixed assets for the year ended December 31, 2025.

No impairment was recognized on the Company's fixed assets during the year ended December 31, 2024.

11. Intangible assets

Intangible assets consist of cannabis licenses, trademarks and brands, and computer software. A reconciliation of the beginning and ending balances of intangible assets for years ended December 31, 2025 and 2024, is as follows:

Fluent Corp.
Notes to the Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(Amounts expressed in thousands of United States Dollars unless otherwise stated)

	Licenses		Trademarks and	Computer	
	Amortized Cost	Indefinite Lived	Brands	Software	Total
Cost					
Balance as of January 1, 2024	709	93,256	8,850	-	102,815
Acquired through business combination	-	7,080	263	32	7,375
Additions	1,332	-	-	-	1,332
Disposals	-	-	-	-	-
Impairment	-	(64,285)	-	-	(64,285)
Balance as of December 31, 2024	2,041	36,051	9,113	32	47,237
Accumulated amortization					
Balance as of January 1, 2024	380	-	8,842	-	9,222
Additions	417	-	8	-	425
Disposals	-	-	-	-	-
Balance as of December 31, 2024	797	-	8,850	-	9,647
Intangible assets, net	\$ 1,244	\$ 36,051	\$ 263	\$ 32	\$ 37,590
Balance as of January 1, 2025	2,041	36,051	9,113	32	47,237
Additions	318	-	-	40	358
Disposals	-	-	-	-	-
Impairment	-	(3,525)	(263)	-	(3,788)
Balance as of December 31, 2025	2,359	32,526	8,850	72	43,807
Accumulated amortization					
Balance as of January 1, 2025	797	-	8,850	-	9,647
Additions	1,034	-	-	12	1,046
Disposals	-	-	-	-	-
Balance as of December 31, 2025	1,831	-	8,850	12	10,693
Intangible assets, net	\$ 528	\$ 32,526	\$ -	\$ 60	\$ 33,114

As at December 31, 2025, the Company's licenses include various cannabis licenses in Florida, New York, and Texas. As discussed in Note 3h, the Company amortizes its renewable cannabis licenses on a straight-line basis over each applicable two-year term. Cannabis licenses acquired through business combination are recorded as indefinite life intangible assets and are tested for impairment annually, or more frequently if indicators of impairment are present.

Annual impairment testing involves determining the recoverable amount of the CGU(s) to which goodwill and indefinite life intangibles are allocated and comparing this to the carrying value of the respective CGU. As required by IAS 36, *Impairment of Assets*, goodwill and intangible assets are tested annually for impairment, or more frequently if indicators are present that suggest the carrying value may not be recoverable. Accordingly, the Company performed its annual impairment test of goodwill and indefinite life intangible assets at October 1, 2025 and 2024.

Florida CGU

As at October 1, 2025, the carrying value of the definite and indefinite life intangible assets related to the Florida CGU, prior to any impairment charge, was \$29,783. The Company estimated the recoverable amount of the CGU by applying the value in use method. The value in use of the Florida CGU was calculated using a discounted cash flow model and level 3 inputs. The value in use was determined to be greater than the CGU's carrying value, therefore the Company determined there was no impairment of the Florida CGU.

Fluent Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

As at October 1, 2024, the carrying value of the definite and indefinite life intangible assets related to the Florida CGU, prior to any impairment charge, was \$94,568. The Company estimated the recoverable amount of the CGU by applying the fair value less costs of disposal method. The fair value less the costs of disposal of the CGU was calculated using a discounted cash flow model and level 3 inputs. The fair value less costs of disposal was determined to be less than the CGU's carrying value, therefore the Company recorded an impairment charge of \$64,285. The key assumptions used in the estimates of the recoverable amounts are described below:

- Cash flows were projected based on the Company's long-term business plan. The business plan contains forecasts based on actual operating results in conjunction with anticipated future growth opportunities, as well as industry and market trends. The forecasts were extended to a total of five years (with a terminal year thereafter). Revenue annual growth rates of 23.3% and 10% were applied to years ended December 31, 2025 and 2026, respectively. Annualized growth was estimated based on anticipated dates of new dispensaries and the applicable ramp up time. The remaining years utilized a conservative 10% per year for revenue growth.
- The terminal growth rate of 3% was based on U.S. real GDP growth & inflation estimates, industry growth rates, and the Company's historical and projected industry data.
- The pre-tax discount rate applied in determining the recoverable amount of the CGU was 22.5%. The discount rates were estimated based on past experience and the weighted average cost of capital of each CGU, other competitors in the industry and adjusted for risks in the cash flow.

New York CGU

As at October 1, 2025, the carrying value of the definite and indefinite life intangible assets related to the New York CGU, prior to any impairment charge, was \$7,170. The Company estimated the recoverable amount of the CGU by applying the value in use method. The value in use of the CGU was calculated using a discounted cash flow model and level 3 inputs. The value in use was determined to be less than the CGU's carrying value, therefore the Company recorded an impairment of \$36,910. The quantum of the impairment charge exceeded the carrying value of the indefinite life intangible assets. Therefore, the Company applied the allocation principles under IAS 36, *Impairment of Assets* to the respective assets within the New York CGU. As there is no goodwill allocated to the New York CGU, the Company allocated the impairment charge pro rata to the other assets of the CGU based on their pro rata carrying amounts, with the caveat that the carrying amount of an individual asset could not be reduced below the highest of its fair value less costs of disposal, its value in use, and zero.

The key assumptions used in the estimates of the recoverable amounts are described below:

- Cash flows were projected based on the Company's long-term business plan. The business plan contains forecasts based on actual operating results in conjunction with anticipated future growth opportunities, as well as industry and market trends. The forecasts were extended to a total of five years (with a terminal year thereafter). Revenue annual growth rates of 53.2% and 45.8% for applied to the years ended December 31, 2026 and 2027, respectively. Annualized growth was estimated based on anticipated production out of the Company's Buffalo facility. The remaining years utilized a conservative 6.1% for the year ended December 31, 2028 and 3% per year in each of the years ended December 31, 2029 and 2030 for revenue growth.
- The terminal growth rate of 3% was based on U.S. real GDP growth & inflation estimates, industry growth rates, and the Company's historical and projected industry data.
- The pre-tax discount rate applied in determining the recoverable amount of the CGU was 27.2%. The discount rate was estimated based on past experience and the weighted average cost of capital of each CGU, other competitors in the industry and adjusted for risks in the cash flow forecast.

Fluent Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

Amortization expense for the years ended December 31, 2025 and 2024, were \$1,047 and \$425, respectively. Amortization expense for intangible assets is recorded in depreciation and amortization expense on the consolidated statements of income (loss) and comprehensive income (loss). The remaining amortization period for the Florida renewable cultivation and dispensing license as of December 31, 2025 is 0.6 years (December 31, 2024 – 1.6 years). The remaining amortization period for the Texas renewable cultivation license as of December 31, 2025 is 1.75 years (December 31, 2024 – 0.75 years).

12. Goodwill

The carrying value of goodwill as of December 31, 2025 and December 31, 2024 was \$1,525. At both periods, the carrying value of goodwill was wholly attributed to the Florida CGU.

During the years ended December 31, 2025 and December 31, 2024, the Company did not recognize an impairment loss on the carrying value of goodwill.

13. Other assets

Other assets as of December 31, 2025 and 2024, are comprised of the following:

	December 31, 2025	December 31, 2024
Other assets		
Prepaid rent	\$ 22	\$ 4,509
Security deposits	1,479	1,322
Deferred lease acquisition costs	-	213
Tax payments	224	190
Impact fee, net	-	159
Deposits on fixed assets	-	83
Total other assets	\$ 1,725	\$ 6,476

Fluent Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024***(Amounts expressed in thousands of United States Dollars unless otherwise stated)***14. Income taxes**

Income tax for the years ended December 31, 2025 and 2024 consisted of the following:

	For the year ended	
	December 31, 2025	December 31, 2024
Current income tax expense	\$ 17,443	\$ 18,167
Deferred income tax expense (recovery)	275	(12,740)
Total income taxes	\$ 17,718	\$ 5,427

The U.S statutory tax rate in effect for the years ended December 31, 2025 and 2024 was 21%. The Canadian statutory tax rate in effect for certain of the Company's Canadian subsidiaries was 26.5%. The income tax expense for the years can be reconciled to the accounting loss as follows:

	2025	2024
Tax at U.S. statutory rate of 21%	\$ (11,088)	\$ (7,077)
State taxes	2,229	(4,772)
Non-deductible items	16,611	(8,864)
Uncertain tax positions, penalties and interest	8,112	19,821
Return-to-provision true-ups	(167)	2,331
Change in statutory rates	(247)	(554)
Change in tax benefits not recognized	3,136	5,622
Other, net	288	183
Total income tax expense	\$ 18,874	\$ 6,690
Income tax expense - continuing operations	\$ 17,718	\$ 5,427
Income tax expense - discontinued operations	\$ 1,156	\$ 1,263

The tax effects of the temporary differences giving rise to the deferred tax liability are as follows:

	2025	2024
Deferred income tax assets:		
Fixed assets	-	-
Accruals and other	-	132
Reserves	-	1,639
Licenses	-	735
Biological assets	100	237
Lease liabilities	2,206	4,691
Total deferred income tax assets	\$ 2,306	\$ 7,434
Deferred income tax liabilities:		
Property and equipment	\$ 336	\$ 918
Intangible assets	4,268	6,005
Right of use assets	1,755	4,289
Total deferred income tax liabilities	\$ 6,359	\$ 11,212
Deferred Income tax liabilities, net	\$ 4,053	\$ 3,778

The movement in net deferred tax liabilities for the years ended December 31, 2025 and 2024 is as follows:

Fluent Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

	2025	2024
Beginning DTL balance, net	\$ 3,778	\$ 17,398
Acquired through business combination	-	(1,021)
Recognized in net loss	275	(12,740)
Other, net	-	141
Ending DTL balance, net	\$ 4,053	\$ 3,778

During the year ending December 31, 2024, the Company filed amended tax returns for tax year 2022 using tax positions based on legal interpretations that challenge the Company's tax liability under IRC Section 280E. The Company determined that pursuant to IFRIC 23, it is not probable that the challenge to IRC Section 280E would be sustained. Accordingly, the Company has recognized an uncertain tax position liability on its consolidated statement of financial position as of December 31, 2025 and 2024 of \$60,146 and \$43,314, respectively. The uncertain tax position includes tax liabilities and accumulated penalties and interest on amounts that would otherwise be deemed owing had the uncertain tax position not been taken. Current income tax expense for the years ended December 31, 2025 and 2024 includes an estimate of penalties and interest accrued on the Company's uncertain tax position liability.

The classification of an uncertain tax liability as current versus non-current on the Company's consolidated statement of financial position is determined based on the expected timing of cash payments or benefits to be recognized. The Company does not anticipate these uncertain tax benefits to be resolved in the next twelve months and anticipates that the total amount of unrecognized tax benefits may change within the next twelve months for additional uncertain tax positions taken on a go-forward basis.

15. Derivative liabilities

During the year ended December 31, 2025, the Company's derivative liability consisted of a convertible note derivative liability. During the year ended December 31, 2024, the Company's derivative liabilities consisted of an equity price guarantee derivative liability and a convertible note derivative liability. A reconciliation of the beginning and ending balances of the Company's derivative liabilities during the years ended December 31, 2025 and 2024, is as follows:

	Equity Price Guarantee	Smith Convertible Note	Total
Balance as of December 31, 2023	\$ 9,109	\$ -	\$ 9,109
Addition	-	2,723	2,723
Fair value change	(9,109)	(575)	(9,684)
Balance as of December 31, 2024	\$ -	\$ 2,148	\$ 2,148
Fair value change	-	(516)	(516)
Balance as of December 31, 2025	\$ -	\$ 1,632	\$ 1,632

Price guarantees are recorded as a liability measured at fair value on the consolidated statement of financial position. In determining the fair value of the price guarantee, these liabilities are marked-to-market at each reporting period with the change in fair value recorded in the consolidated statements of income (loss) and comprehensive income (loss).

Fluent Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Amounts expressed in thousands of United States Dollars unless otherwise stated)

Equity Price Guarantee

In connection with the acquisition of the remaining interest of Fluent Servicing on August 15, 2018, the Company issued 4,400,000 membership interest units of Consortium Holdings LLC that were exchanged into 4,400,000 common shares (or equivalent proportionate voting shares) of the Company subject to a price floor of \$2.75 ("Equity Price Guarantee"), expiring on March 21, 2021.

On January 16, 2020, the Company completed the restructuring of its existing promissory note issued in connection with the acquisition of Fluent Servicing, as well as the terms pertaining to the Equity Price Guarantee, reducing the price floor from \$2.75 to \$0.65 per share for the 4,400,000 common shares originally issued and agreeing to transfer to the seller, Can Endeavour LLC ("Can Endeavour") an additional 14,215,385 common shares (or equivalent proportionate voting shares) that were previously returned by the Company's founders, subject to a price floor of \$0.65 per share with expiration on May 23, 2023.

On December 21, 2022, the Company amended its agreement of the terms pertaining to the Equity Price Guarantee, reducing the price floor from \$0.65 to \$0.40 per share for the 18,615,385 common shares issued and agreeing to transfer Can Endeavour an additional 11,634,615 common shares (or equivalent proportionate voting shares). If Can Endeavour elects to sell some or all of its common shares, and the proposed purchase price is less than the floor of \$0.40 per share, then the Company shall have the first right to purchase some or all of its common shares for \$0.40 per share. The price floor expires at the earlier of December 31, 2025 or 20 consecutive days where common shares trade at a minimum of \$4.13 while maintaining a minimum trade volume of 3 million.

In previous periods, the Company used a Monte-Carlo simulation model to estimate the fair value of the Equity Price Guarantee derivative liability. This is a Level 3 recurring fair value measurement. The key Level 3 inputs used by management to determine the fair value are the expected future volatility in the price of the Company's shares and the expected life of the Equity Price Guarantee.

On November 26, 2024, in connection with the Company's debt refinancing (discussed herein), the Equity Price Guarantee liability was legally extinguished, and the fair value of the liability was deemed to be \$nil, thus relieving the Company of any present and future obligations.

During the year ended December 31, 2025, the Company did not recognize a gain or loss on the revaluation of the Equity Price Guarantee derivative liability as the liability had been extinguished (year December 31, 2024 – gain of \$9,109). The revaluation is recorded within "net change in fair value of derivative liability" on the consolidated statements of income (loss) and comprehensive income (loss).

Fluent Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

Smith Convertible Note (see Note 17)

On November 26, 2024, in connection with the closing of the Credit Agreement (defined herein), the Company and William Smith, a director and the Executive Chair of Consortium, and certain companies controlled by Mr. Smith, amended and restated the termination agreement dated May 30, 2024, which provided for, among other things, the termination of the Equity Price Guarantee agreement in exchange for the issuance of a 3-year \$6,500 subordinated promissory note (the "Smith Convertible Note"). Pursuant to the terms of the Amended Smith Transaction Termination Agreement, the Company paid to the Smith Group a \$500 cash fee and issued to the Smith Group a secured subordinated convertible note in an initial aggregate principal amount of \$6,500 due May 26, 2029, bearing interest of 15%, with all accrued but unpaid interest compounded quarterly, and prepayable with consent from the Smith Group. The Smith Convertible Note is subordinated in right of payment to the Credit Agreement and the principal and accrued interest thereunder is convertible, at the discretion of the Smith Group, into shares at a price of \$0.21 per share.

The Company assessed the Smith Convertible Note as a hybrid financial instrument and determined that the conversion feature did not meet the fixed-for-fixed criteria and therefore could not be classified as equity. The Company determined the conversion feature qualified as a financial derivative and, accordingly, is initially measured at fair value and subsequently measured at FVTPL. The Company assessed the Smith Convertible Note and determined no other embedded derivatives were present.

The Company used a FinCad model to value the convertible debt instrument, which results in a system of two coupled Black-Scholes equations for the value of the convertible instrument and a system of coupled partial differential equations that must be solved simultaneously. The embedded derivative is a Level 3 financial instrument. Key observable and unobservable inputs to the valuation at initial recognition include the Company's share price (\$0.06 per share), risk-free rate (4.3%), credit spread (12.5%), and volatility (103%). At initial recognition, the Company measured the embedded derivative liability at \$2,723.

The Company recognized a mark-to-market fair value gain of \$516 for the year ended December 31, 2025 on remeasurement of the embedded derivative (year ended December 31, 2024 – fair value gain of \$575), which is recorded within "net change in fair value of derivative" on the consolidated statements of income (loss) and comprehensive income (loss).

16. Provision liability

The Company's provision liability arose through the RIV Transaction on December 19, 2024.

On December 8, 2023, the New York Cannabis Control Board ("CCB") approved the Company's New York subsidiary's application to transition to a New York adult-use cannabis operator. The subsidiary had applied for a Registered Organization Dispensing ("ROD") license, which allows the entity to participate in all aspects of vertical integration, including cultivation, processing, distribution, and retail activities. The Office of Cannabis Management ("OCM") mandates that an ROD license holder shall pay an adult-use license fee, a cultivation fee based on canopy space and type, and a one-time \$20,000 special fee (the "Special License Fee"), which was payable in four equal installments ("Tranches") upon the achievement of certain milestones, including separate milestones for the opening of the first and second adult-use co-located retail dispensaries, and reaching certain gross revenue thresholds.

On February 14, 2024, the Company's New York subsidiary opened its first adult-use co-located retail dispensary. In connection with the opening of the Company's first adult-use dispensary, the first Special License Fee payment of \$5,000 was made to the OCM on January 26, 2024.

Fluent Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

In September 2024, Etain LLC opened its second co-located adult-use and medical cannabis retail dispensary. In connection with the opening of the Company's second adult-use dispensary, the second Special License Fee payment of \$5,000 was expected to be due to the OCM in March 2025. As at December 31, 2025, no payment has been made toward Tranche 2 (which has been modified, as discussed herein), and the Company is currently engaged in negotiations with the OCM to arrange a payment plan.

On May 9, 2025, the New York legislature was amended to reflect changes to the Special License Fee. Under the new legislation, the aggregate Special License Fee was decreased from \$20,000 to \$15,000. As a result, the installments were also modified with Tranche 1 retroactively adjusted to \$3,000 and Tranches 2, 3, and 4 were retroactively adjusted to \$4,000 each. As the Company made a payment of \$5,000 upon the opening of its first adult-use co-located dispensary in February 2024, the Company currently owes a payment of \$2,000 to the OCM. The milestones triggering the payment of each Tranche remain unchanged with the new legislation.

The Company determined that the obligation to settle the unpaid Tranches of the Special License fee represents a present obligation arising from past events, being the receipt of the New York ROD license. The obligation is a known and predictable amount but is of uncertain timing as a result of the gross revenue threshold targets. As at December 31, 2024, in accordance with IAS 37, *Provisions, Contingent Liabilities, and Contingent Assets*, the Company recognized a provision liability equal to the present value of the remaining Special License Fee payments based on management's estimates for the expected dates of payment. This provision liability is remeasured at each reporting period, with the gain or loss on remeasurement recognized through the consolidated statement of income (loss) and comprehensive income (loss). Tranche 3 and Tranche 4 projected cash flows were discounted using rates of 3.47% and 3.73%, respectively. As the cumulative Tranche 1 and Tranche 2 payment is fixed and determinable in accordance with the new regulations, the Company has recorded \$2,000 of the Special License Fee within accounts payable on the statement of financial position as of December 31, 2025.

The following table presents a summary continuity schedule of the carrying value of the provision liability for the year ended December 31, 2025. As the provision liability was recognized in connection with the RIV Transaction on December 19, 2024, the comparative period continuity for the year ended December 31, 2024 is not applicable. See Note 5 for further details.

	Year ended	
	December 31, 2025	
Provision liability - opening balance	\$	14,001
Accretion expense		206
Remeasurement		(5,203)
Reclass to accounts payable		(2,000)
Provision liability - ending balance	\$	7,004

17. Notes payable and convertible notes

Fluent Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

As of December 31, 2025 and 2024 notes payable consisted of the following:

	December 31, 2025	December 31, 2024
Automobile loan (b)	\$ -	\$ 10
Credit Agreement (d)	56,043	64,820
Equipment loan (e)	42	64
Convertible debenture (f)	2,553	2,721
Insurance financing (g)	524	450
Cultivation facility loan (i)	1,312	1,465
Smith Convertible Note (j)	7,540	6,482
Parks & Long loan (k)	392	-
Total notes payable (a)	\$ 68,406	\$ 76,012
Less current portion of notes payable	(1,253)	(755)
Less convertible note	(7,540)	(6,482)
Notes payable, net of current portion	\$ 59,613	\$ 68,775

(a) Notes payable

A reconciliation of the beginning and ending balances of the notes payable for the years ended December 31, 2025 and 2024 is as follows:

	December 31, 2025	December 31, 2024
Balance at the beginning of the period	\$ 76,012	\$ 61,402
Net proceeds of Bridge Note	-	8,403
Derecognition of Bridge Note	-	(9,001)
Smith Convertible Note	-	6,389
Insurance financing	2,028	1,954
Purchase of auto and equipment	-	48
Cultivation facility loan	-	1,360
Parks & Long loan	784	-
Interest and accretion	12,227	15,244
Net proceeds of new Credit Agreement	-	64,615
Repayments of principal and interest	(22,645)	(3,174)
Repayment and derecognition of Senior Secured Term loan (h)	-	(71,228)
Balance at the end of the period	\$ 68,406	\$ 76,012

Refer to Note 25 for a reconciliation of finance costs for the years ended December 31, 2025 and 2024.

(b) Automobile loan

Notes payable collateralized by vehicles purchased, bearing interest ranging from 4.59% to 5.44% per annum, have matured as at December 2025.

(c) Senior secured term loan

Fluent Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

On April 29, 2021, the Company entered into a senior secured term loan in the amount of \$71,000 (the "Term Loan"). The Term Loan carried an interest rate of 13% per annum, payable quarterly, with a maturity date of April 29, 2025. In connection with the transaction, 12.5 million warrants with an exercise price of \$1.20 were issued to certain participants in the Term Loan.

On May 6, 2022 and June 6, 2022, the Company refinanced the Term Loan and completed repayments of the Term Loan in the aggregate amount of \$3,418, incurring a loss on debt settlement of \$1,136. Absent the refinancing on November 26, 2024 discussed herein, the principal amount of the refinanced loan of \$65,830 would be due in April 2025 as a balloon payment.

On November 26, 2024, the Company used proceeds received upon closing of the Credit Agreement (discussed herein) to wholly repay all outstanding principal and accrued interest outstanding under the Term Loan, eliminating the Term Loan in full. Pursuant to the extinguishment of the Term Loan debt obligation, the Company recognized a gain on settlement of debt of \$1,179 within "loss on issuance and settlement of debt, net" on the statement of income (loss) and comprehensive income (loss) for the year ended December 31, 2024.

(d) Credit Agreement

On November 26, 2024, The Company had closed on a new senior secured credit agreement (the "Credit Agreement") of up to \$96,500 with Chicago Atlantic Admin, LLC ("Chicago Atlantic"), as administrative agent for certain lenders. The Credit Agreement bears a cash interest rate of 12.00% per annum and paid-in-kind interest of 1.00% per annum, and is due to mature on November 26, 2028, at which time a balloon payment of \$74,468 would be due.

The Credit Agreement refinances the existing senior secured term loan (Note 17(c)) that was set to mature in April 2025, thereby eliminating the previously disclosed requirement that the Company prepay \$10,000 upon the consummation of the business combination with RIV Capital.

The Credit Agreement provides for an initial loan of \$71,500 and access to two additional credit lines of \$10,000 for future real estate acquisitions and construction projects, and \$15,000 in the event that the Company were to acquire RIV Capital's Buffalo cultivation and processing facility following the completion of the business combination. As of December 31, 2025, the additional credit lines remained undrawn.

The Credit Agreement includes a financial covenant requiring the Company to maintain a minimum unrestricted cash balance of \$4,500, tested at the end of each fiscal quarter, and includes customary terms and conditions for a financing of this type, including repayment obligations upon the occurrence of certain events of default thereunder. See Note 28 for amendments made to this liquidity covenant subsequent to December 31, 2025.

The Company records the Credit Agreement as a financial liability at amortized cost using the effective interest rate method. At initial recognition, the Company recorded a liability of \$64,615, which was net of capitalized debt financing acquisition costs of \$3,240. The effective interest rate used for the Credit Agreement is 17.9%. In accordance with IFRS 9, the debt financing costs are recognized over the term on a systematic basis using the effective rate of interest.

On December 31, 2025, in connection with the disposition of the Pennsylvania business (see Note 6), the Company made a mandatory prepayment of \$11,600 toward the principal of the Credit Agreement. Accordingly, on December 31, 2025, the Company remeasured the Credit Agreement using the revised contractual cashflows at the original effective rate of interest of 17.9%. This resulted in a loss on

Fluent Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

remeasurement of \$443 recorded within the Company's consolidated statement of income (loss) and comprehensive income (loss).

(e) Equipment loan

The Company's equipment loans consist of notes payable collateralized by equipment purchased. The equipment loans bear interest ranging from 0% to 4.494% per annum and carry maturities through December 2029.

(f) Convertible debenture

On April 29, 2022, the Company completed a non-brokered private placement (the "Private Placement") that includes a 10.0% unsecured convertible debenture in the principal amount of \$3,500 (the "Debenture"), as well as 3,076,923 pre-funded common share purchase warrants (each a "Pre-Funded Warrant") at a price of US\$0.39 per Pre-Funded Warrant, for aggregate gross proceeds of \$4,700, resulting in an increase of \$1,744 and \$70 to equity conversion feature and warrants, respectively. The Debenture will come due in 2032 and the principal amount then outstanding is convertible into common shares of the Company at a conversion price of \$0.79 per common share. Each Pre-Funded Warrant entitled the holder to purchase one common share at an additional exercise price of \$0.40 per common share (for a total common share issue price equal to \$0.79) for a period of 12 months from the date of issuance. As of December 31, 2025, the principal amount outstanding under the Debenture was \$2,601 and unamortized debt issuance costs was \$48.

(g) Insurance financing

In April 2025, the Company financed insurance in the amount of \$1,603, payable monthly with a nine-month term and a 9.25% interest rate. In September 2025, the Company financed workers compensation insurance in the amount of \$438, payable monthly with a ten-month term. As of December 31, 2025, the principal amount outstanding for financed insurance is \$267.

In April 2024, the Company financed insurance in the amount of \$1,366, payable monthly with a nine-month term and an 11.35% interest rate. In September 2024, the Company financed workers compensation insurance in the amount of \$362, payable monthly with a ten-month term. As of December 31, 2024, the total amount outstanding for financed insurance was \$450.

(h) Convertible bridge note

On May 30, 2024, the Company entered into a convertible promissory note (the "Bridge Note") with RIV Capital. The Bridge Note was signed at the same time as the "Arrangement Agreement" between Fluent and RIV Capital (see Note 5). The Bridge Note bears interest of 10% and was set to mature on May 1, 2025, at which time the principal amount then outstanding and all accrued but unpaid interest was convertible into common shares of the Company at a conversion price of \$0.174 per common share. The Company made an initial draw of \$3,000 under the Bridge Note on May 30, 2024, which resulted in an increase of \$190 in equity conversion feature and \$68 in deferred tax. A subsequent draw of \$1,000 under the Bridge Note resulted in an increase of \$47 in equity conversion feature and \$17 in deferred tax. The final draw of \$4,975 under the Bridge Note resulted in an increase of \$249 in equity conversion feature and \$66 in deferred tax.

In connection with the RIV Transaction closing on December 19, 2024, the principal and accrued interest owing under the Bridge Note was legally set-off against the Hawthorne Notes receivable, resulting in net increase to consideration paid in the business combination of \$1,417. No impact was recorded to the Company's

Fluent Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Amounts expressed in thousands of United States Dollars unless otherwise stated)

consolidated statements of income (loss) and comprehensive income (loss) during the year ended December 31, 2025.

(i) Cultivation facility loan

On May 28, 2024, the Company made an amendment to the Tampa Rosa cultivation lease. Under the terms of the amendment, the Company is required to pay \$1,360 to the landlord (Nittany – see Note 22), subject to 13% simple interest, as consideration for a waiver by the landlord of the Company's breach of the lease by failing to obtain landlord's consent before altering structural support systems, HVAC systems and other parts of the building. Due to the terms of the lease, the loan is deemed to be unsecured. The Company is required to make at least six installment payments per year in the amount of at least \$45 each with payments first applied to outstanding interest, then applied to principal. Therefore, accumulated interest is deemed to be the current portion of notes payable, with principal being attributed to non-current notes payable. All remaining principal and interest shall be due and payable on May 31, 2027.

(j) Smith Convertible Note

As discussed in Note 15, the Company assessed the Smith Convertible Note and determined that it qualified as compound financial instrument. The compound financial instrument was therefore bifurcated between its debt and derivative liability components and measured separately. The debt component was initially recorded at fair value by discounting the cash flows at a market rate of interest. This resulted in the recognition of a \$6,389 liability within notes payable. The debt component of the Smith Convertible Note is subsequently measured at amortized cost, and accreted over the term to maturity of May 26, 2029 using the effective interest rate (16.2%).

During the year ended December 31, 2025, the Company recognized \$1,058 of accretion expense within "finance costs, net" on the consolidated statement of income (loss) and comprehensive income (loss) (year ended December 31, 2024 – \$93).

(k) Parks and Long loan

On July 20, 2025, the Company entered into a loan agreement with Parks and Long Healthcare Construction and Compliance LLC for the repayment of the Tampa Rosa cultivation facility. Terms are set to repay full construction balance of \$784, plus a 7% fee, for twelve equal monthly payments ending in June 2026.

Fluent Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024***(Amounts expressed in thousands of United States Dollars unless otherwise stated)***18. Leases**

As of December 31, 2025, the Company's right-of-use assets and lease liabilities related to leased cultivation and manufacturing facilities, retail dispensaries, and corporate offices located in Florida, Pennsylvania, Texas, and New York. As of December 31, 2024, the Company's right-of-use assets and lease liabilities also related to leased retail dispensaries in Pennsylvania.

(a) Right-of-use assets

	December 31, 2025	December 31, 2024
Cost		
Balance at beginning of period	\$ 68,156	\$ 48,990
Acquired through business combination	-	14,169
Additions	27,702	5,297
Modifications	(41)	309
Terminations	(676)	(609)
Impairment	(20,521)	-
Disposal through sale of business component	(2,023)	-
Balance at end of period	\$ 72,597	\$ 68,156
Accumulated depreciation		
Balance at beginning of period	\$ 21,425	\$ 17,047
Additions	7,514	4,533
Terminations	(89)	(155)
Balance at end of period	\$ 28,850	\$ 21,425
Right-of-use-assets, net	\$ 43,747	\$ 46,731

(b) Lease liabilities

	December 31, 2025	December 31, 2024
Balance at beginning of period	\$ 56,478	\$ 40,114
Acquired through business combination	-	14,169
Additions	23,204	4,996
Modifications	5	716
Terminations	(836)	(747)
Interest on lease liabilities	7,622	4,749
Interest payments on lease liabilities	(7,622)	(4,705)
Principal payments on lease liabilities	(4,764)	(2,814)
Disposal through sale of business component	(2,631)	-
Balance at end of period	\$ 71,456	\$ 56,478
Less current portion of lease liabilities	(5,474)	(4,751)
Lease liabilities, net of current portion	\$ 65,982	\$ 51,727

The Company's lease obligation maturity has been disclosed within Note 21.

On April 17, 2025, a new cultivation site in Buffalo, NY commenced operations. The lease term is 180 months with monthly payments of \$201 due at the first of the month, with annual escalations of 3% per year. The Company applied an incremental borrowing rate of 9.62% at the lease commencement date to measure the

Fluent Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Amounts expressed in thousands of United States Dollars unless otherwise stated)

lease liability. The Buffalo lease added \$22,643 in lease liability and \$27,129 in right-of-use assets. The increase in right-of-use asset includes \$4,486 of prepaid rent. On October 5, 2025, the lease term was modified to reduce the term by six months, which resulted in a remeasurement of the lease liability and corresponding adjustment to the right-of-use asset of \$145.

On October 1, 2025 in connection with the Company's annual testing of the New York CGU (see Note 11), an impairment charge of \$20,521 was allocated on a pro rata basis to the Company's right-of-use assets in New York. Accordingly, the right-of-use assets were written down to their recoverable values as of October 1, 2025.

19. Shareholders' deficit

	Share capital		
	Number of unrestricted common shares	Number of exchangable shares	Amount
Balance, December 31, 2023	299,529,367	-	\$ 183,690
Common shares issued in business combination (Note 19 c.)	171,547,344	-	12,014
Exchangable shares issued in business combination (Note 19 b.)	-	153,069,395	10,715
Restricted stock units and options (Note 19)	364,845	-	-
Shares issued for board fees (Note 19 a.)	865,382	-	-
Balance, December 31, 2024	472,306,938	153,069,395	\$ 206,419
Shares issued for board fees (Note 19 d.)	4,407,063	-	-
Restricted stock units and options (Note 19)	4,479,623	-	-
Conversion of Exchangeable Shares (Note 19 b.)	153,069,395	(153,069,395)	-
Private placement issuance of shares (Note 19 g.)	3,500,000	-	210
Net loss	-	-	-
Balance, December 31, 2025	637,763,019	-	\$ 206,629

Equity transactions

During the years ended December 31, 2025 and 2024, the following transactions took place involving shareholders' equity:

- On August 28, 2024, the Company issued to its Board of Directors' members 865,382 common shares as compensation for their service on the Board of Directors during the second fiscal quarter of 2024, resulting in an increase in share-based compensation reserve of \$113. Shares were issued at fair value, being the trading price on the date of issuance. See Note 19d for additional Board of Directors common share activity.
- In connection with the execution of the RIV Transaction, on December 18, 2024, the day immediately prior to closing, the Company issued 153,069,395 non-voting Fluent Exchangeable Shares to The Hawthorne Collective, a previous creditor of RIV Capital, in exchange for the Hawthorne Notes receivable from RIV Capital. The Fluent Exchangeable Shares represent a newly created class of non-voting shares of the Company, and are convertible into common shares of Fluent on a one-for-one basis. As the Fluent Exchangeable Shares are convertible into a fixed number of the Company's common shares, the fixed-for-fixed criteria is met, and the Fluent Exchangeable Shares are classified as equity instruments within share capital of the Company. Fluent Exchangeable Shares include nomination, participation, and other rights in favor of The Hawthorne Collective until converted.

Fluent Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Amounts expressed in thousands of United States Dollars unless otherwise stated)

The Fluent Exchangeable Shares form a component of consideration in the RIV Transaction discussed in Note 3. As outlined in the RIV Transaction agreements, the Hawthorne Notes receivable received in exchange for the Fluent Exchangeable Shares were legally set-off against the pre-existing lender and borrower Bridge Note payable instruments in tandem with closing.

On July 18, 2025, The Hawthorne Collective exercised the conversion right attached to the Exchangeable Shares by converting all 153,069,395 of its Exchangeable Shares into common shares of the Company. Immediately prior to the conversion, The Hawthorne Collective did not beneficially own, directly or indirectly, or exercise control or direction over any common shares.

Following the conversion, The Hawthorne Collective beneficially owned 153,069,395 common shares of the Company, representing approximately 25.2% of the issued and outstanding common shares.

- c. On December 19, 2024, the Company issued 171,547,344 common shares to the former shareholders of RIV Capital, which formed part of the business combination consideration discussed in Note 5.
- d. On February 7, 2025, the Company issued to its Board of Directors' members 1,657,063 common shares as compensation for their service on the Board of Directors during the fourth fiscal quarter of 2024, resulting in an increase in share-based compensation reserve of \$117, which was accrued as of December 31, 2024. Shares were issued at fair value, being the trading price on the date of issuance.

On July 24, 2025, the Company issued to its Board of Directors' members 2,750,000 common shares as compensation for their service on the Board of Directors during the second fiscal quarter of 2025, resulting in an increase in share-based compensation reserve of \$138. Shares were issued at fair value, being the trading price on the date of issuance.

- e. On May 15, 2025, a holder of the Company's proportionate voting shares elected to convert 12,480 proportionate voting shares into 124,800 common shares of the Company. No consideration was received, and no impact was reported within the Company's share capital reserve.
- f. On May 29, 2025, 25,000 employee restricted stock units were redeemed for common shares of the Company. Common shares were withheld to cover employee income taxes associated with the redemption, which resulted in the net issuance of 19,500 common shares of the Company. No consideration was received, and no impact was reported within the Company's share capital reserve.

On July 16, 2025, 3,958,976 employee restricted stock units were redeemed for common shares of the Company. No consideration was received, and no impact was reported within the Company's share capital reserve.

On September 17, 2025, 80,000 employee restricted stock units were redeemed for common shares of the Company. No consideration was received, and no impact was reported within the Company's share capital reserve.

On December 31, 2025, 421,147 employee restricted stock units were redeemed for common shares of the Company. No consideration was received, and no impact was reported within the Company's share capital reserve.

- g. On September 6, 2025, the Company completed a non-brokered private placement offering of 3,500,000 common shares at a price of \$0.06 per share for aggregate gross proceeds of \$210. The private placement was completed solely with the Company's new Interim Chief Executive Officer, in connection with his employment agreement with the Company.

Fluent Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024***(Amounts expressed in thousands of United States Dollars unless otherwise stated)***Share capital**

The Company is authorized to issue an unlimited number of common shares, each with no par value. As of December 31, 2025, the share capital of the Company is comprised of 613,261,139 common shares, 2,450,188 proportionate voting shares (each proportionate voting share is convertible into ten common shares), 15,000,000 warrants, 21,874,875 stock options, 210,000 restricted stock units, and 0 exchangeable shares. For the purpose of the statement of changes in shareholders' equity, the proportionate voting shares have been included as part of common shares based on the 1 for 10 conversion ratio.

Earnings per share is calculated using the weighted average number of shares outstanding during the year on a basic and fully diluted basis. Out-of-the money options and warrants are excluded as dilutive instruments. As the Company was in a loss position from continuing operations for the years ended December 31, 2025 and 2024, respectively, earnings per share from continuing operations for those periods was calculated using the basic number of outstanding shares.

	Year ended December 31,	
	2025	2024
Weighted average number of shares - basic	547,787,979	305,528,621
Weighted average warrants	-	-
Weighted average convertible debt	33,211,903	3,010,611
Weighted average options	-	-
Weighted average restricted stock units	3,126,072	5,372,952
Weighted average Exchangeable Shares	83,263,023	5,451,787
Weighted Average Number of Shares - Diluted	667,388,977	319,363,971

During the year ended December 31, 2025, 12,500,000 common share warrants expired unexercised (year ended December 31, 2024 – no warrant activity).

Restricted stock unit activity for years ended December 31, 2025 and 2024 is as follows:

	December 31, 2025	December 31, 2024
Outstanding at beginning of period	5,220,770	5,861,320
Granted during the period	-	460,000
Forfeited during the period	(500,647)	(650,354)
Redeemed during the period ⁽¹⁾	(4,510,123)	(450,196)
Outstanding at end of period	210,000	5,220,770
Outstanding RSUs vested at end of period	-	3,240,511

⁽¹⁾ RSUs redeemed for common shares during the year ended December 31, 2025 were net of 5,500 shares withheld to cover employee taxes (year-ended December 31, 2024 – net of 85,351 shares withheld)

Stock option activity for the years ended December 31, 2025 and 2024 is summarized below:

Fluent Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Amounts expressed in thousands of United States Dollars unless otherwise stated)

		W.A. Exercise
		Price
Outstanding as of December 31, 2023	10,061,725	\$ 0.31
Granted	1,020,900	0.07
Forfeited	(1,493,300)	0.46
Expired	(35,000)	0.44
Outstanding as of December 31, 2024	9,554,325	\$ 0.26
Granted	23,349,500	0.05
Forfeited	(6,941,500)	0.05
Expired	(4,087,450)	0.19
Outstanding as of December 31, 2025	21,874,875	\$ 0.12
Options exercisable as of December 31, 2025	5,354,825	\$ 0.33

20. Expense by nature

General and administrative expenses from continuing operations for the years ended December 31, 2025, and 2024, are as follows:

	For the year ended December 31,	
	2025	2024
General and administrative		
Legal and professional fees	\$ 4,847	\$ 8,122
Salaries and benefits	7,147	6,032
Insurance	2,642	1,418
Facility expense	388	45
Travel and entertainment	425	325
IT and cellular services	544	397
Payroll processing fees	382	226
Other	508	1,011
Total general and administrative	\$ 16,883	\$ 17,576

Sales and marketing expenses from continuing operations for the years ended December 31, 2025 and 2024, are as follows:

	For the year ended December 31,	
	2025	2024
Sales and marketing		
Salaries and benefits	\$ 16,423	\$ 16,020
Advertising expenses	718	673
Legal and professional fees	3	379
Facility expense	4,299	773
IT and cellular services	817	555
Travel and entertainment	143	38
Other	(218)	1,783
Total sales and marketing	\$ 22,185	\$ 20,221

21. Commitments and contingencies

(a) Commitments

Fluent Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

As at December 31, 2025, the Company had the following obligations on an undiscounted basis:

	<u>< 1 year</u>	<u>1 to 3 years</u>	<u>3 to 5 years</u>	<u>> 5 years</u>	<u>Total</u>
Accounts payable	\$ 6,942	\$ -	\$ -	\$ -	\$ 6,942
Accrued expenses	9,903	-	-	-	9,903
Insurance financing	514	-	-	-	514
Notes payable	8,793	81,314	14,275	185	104,567
Lease obligations	12,652	24,100	33,113	46,885	116,750
Uncertain tax position	-	60,146	-	-	60,146
Total	\$ 38,804	\$ 165,560	\$ 47,388	\$ 47,070	\$ 298,821

The table above, which relates to the Company's financial obligations that are of determinable timing and amount, does not include Tranche 3 and Tranche 4 payments of the Special License Fee discussed in Note 16 as the timing of these payments is uncertain as at December 31, 2025.

Special License Fee

As discussed in Note 16, on May 9, 2025, changes were made to the New York regulations such that Tranche 3 and Tranche 4 payments of the Special License Fee were reduced from \$5,000 each to \$4,000 each. The payments remain payable upon the occurrence of certain events, which are subject to significant estimation uncertainty as they are tied to revenue milestones.

(b) Contingencies

The Company's operations are subject to a variety of local and state regulations. Failure to comply with one or more of those regulations could result in fines, restrictions on its operations, or losses of permits that could result in the Company ceasing operations. While management of the Company believes that the Company is in compliance with applicable local and state regulations as of December 31, 2025, medical marijuana regulations continue to evolve and are subject to differing interpretations. As a result, the Company may be subject to regulatory fines, penalties, or restrictions in the future.

(c) Claims and litigation

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of December 31, 2025, other than the lawsuit disclosed below, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company's operations. There are also no proceedings in which any of the Company's directors, officers or affiliates is an adverse party or has a material interest adverse to the Company's interest.

The Company is a defendant in a lawsuit relating to the termination of certain lease, service, and related agreements at a former prospective production facility. The plaintiffs have asserted multiple breach of contract claims through which they seek damages of approximately \$16,500. The Company has filed counterclaims in connection with this matter. The trial is currently scheduled for September 2026.

Based on information available at the reporting date, the Company believes the claims are without merit and intends to vigorously defend the action. The Company has estimated a possible range of loss, if any, to be between \$0 and \$2,000; however, the ultimate outcome of this matter is uncertain and an unfavorable outcome is possible. No provision has been recognized in the consolidated financial statements

Fluent Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

The Company is a defendant in a lawsuit relating to the termination of certain lease, service, and related agreements at one of its historical production facilities. The plaintiff has asserted multiple breach of contract claims and is seeking damages of approximately \$16,500. The Company has filed counterclaims in connection with this matter. The trial is currently scheduled for September 2026.

Based on information available at the reporting date, the Company believes the claims are without merit and intends to vigorously defend the action. The Company has estimated a possible range of loss, if any, to be between \$0 and \$1,000; however, the ultimate outcome of this matter is uncertain. No provision has been recognized in the consolidated financial statements.

22. Related-party transactions**Key management personnel compensation**

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling activities for the Company, directly and indirectly. The key management personnel of the Company are the members of the Company's executive management team and Board of Directors. For the years ended December 31, 2025 and 2024, key management personnel compensation consisted of the following:

	For the year ended December 31			
	2025		2024	
Salary	\$	2,687	\$	3,402
Option-based compensation		92		7
Share-based compensation (including RSUs)		147		24
All other compensation (including cash-settled Board fees)		498		372
Total	\$	3,424	\$	3,805

Transactions with related parties*Board of Directors*

On January 8, 2024, the Company entered into a commercial lease with Nittany Management, LLC. Nittany Management, LLC is owned by the Company's current Executive Chairman. The lease is for real property located in Tampa Florida, that includes a 20,000 square foot building. The commercial lease is for a ten-year term, base rent under the lease is \$362 per year with 3% increases to base rent each year.

On May 28, 2024, the Company made an amendment to the January 8, 2024 commercial lease with Nittany Management, LLC in which an additional \$1,360 became due under the lease for the property located in Tampa Florida and will be repaid over a 3-year period accruing interest at 13% year.

On August 28, 2024, the Company issued to its Board of Directors' members 865,382 common shares as compensation for their service on the Board of Directors during the second fiscal quarter of 2024, resulting in an increase in share-based compensation reserve of \$113. Shares were issued at fair value, being the trading price on the date of issuance.

On November 26, 2024, in connection with the closing of the Credit Agreement, the Company and William Smith, a director and the Executive Chair of the Company, and certain companies controlled by Mr. Smith, amended and restated the termination agreement dated May 30, 2024, which provided for, among other things, the termination of the floor share agreement (Note 15) in exchange for the issuance of a 3-year \$6,500 subordinated promissory note, all to occur on the closing of the business combination with RIV Capital Inc.

Fluent Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

Pursuant to the terms of the Amended Smith Transaction Termination Agreement, the Company paid to the Smith Group a \$500 cash fee and issued to the Smith Group a secured subordinated convertible note in an initial aggregate principal amount of \$6,500 due May 26, 2029, bearing interest of 15%, with all accrued but unpaid interest compounded quarterly, and without a Company right to prepay the note after year two. The Smith Convertible Note is subordinated in the right of payment to the Credit Agreement and the principal and accrued interest thereunder is convertible, at the discretion of the Smith Group, into shares at a price of \$0.21 per share.

On February 7, 2025, the Company issued to its Board of Directors' members 1,657,063 common shares as compensation for their service on the Board of Directors during the fourth fiscal quarter of 2024, resulting in an increase in share-based compensation reserve of \$117, which was accrued as of December 31, 2024. Shares were issued at fair value, being the trading price on the date of issuance.

On July 24, 2025, the Company issued to its Board of Directors' members 2,750,000 common shares as compensation for their service of the Board of Directors during the second fiscal quarter of 2025, resulting in an increase in share-based compensation reserve of \$138. Shares were issued at fair value, being the trading price on the date of issuance.

On August 28, 2025, by way of a private placement, the Company's interim CEO, Dave Vautrin, purchased 3,500,000 common shares at a price of \$0.06 per share for aggregate gross proceeds of \$210.

During the years ended December 31, 2025 and 2024, the Company engaged Robert O. Beasley, P.A., ("Law Firm") to represent the Company on various legal matters. The Company's former CEO is a partner at Robert O. Beasley, P.A. Services performed by the Law Firm included litigation, regulatory and general counsel services. Services were provided in normal commercial terms; the Company's former CEO did not participate in the legal services rendered by the Law Firm. During the years ended December 31, 2025 and 2024, the Company recognized legal expenses of \$307 and \$479, respectively, to Robert O. Beasley, P.A. At December 31, 2025, the Company had a balance outstanding of \$16 due to Robert O. Beasley, P.A. (December 31, 2024 - \$nil).

23. Financial instruments and financial risk management**Financial instruments**

The Company's financial instruments consist of cash, trade receivables, other investments, trade payables, accrued liabilities, derivative liabilities, notes payable, lease obligations, and other long-term liabilities.

Financial assets

- (i) Cash is comprised of deposits held in financial institutions and cash held at dispensary locations.
- (ii) Trade receivables represent amounts receivable from adult-use and medical cannabis

Financial liabilities

- (i) Notes payable are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. Such liabilities are recognized initially at fair value at subsequently at amortized cost using the effective interest method. They are included in non-current liabilities, except for the portion due within 12 months of the reporting date, which are classified as current liabilities.

Fluent Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024**

(Amounts expressed in thousands of United States Dollars unless otherwise stated)

- (ii) Compound financial instruments issued by the Company comprise convertible notes payable that are convertible to share capital at the option of the holder. The liability component of the Company's compound financial instruments is measured initially at fair value or residual value, and is subsequently measured at amortized cost using the effective interest method. If the conversion feature meets the fixed-for-fixed criteria to be considered equity, the company records the value of the conversion option directly within equity and does not remeasure. If the conversion feature fails the fixed-for-fixed criteria, it is treated as an embedded derivative liability initially measured at fair value and subsequently remeasured at FVTPL.
- (iii) Other financial liabilities include the Company's trade payables and accrued liabilities. The effective interest method is used to calculate the amortized cost of a financial liability and allocates interest expense over the term to maturity.
- (iv) The effective interest rate is the rate that is used to discount estimated future cash receipts or payments over the expected life of the financial asset or liability.

Fair value measurement

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the reliability of the inputs to fair value measurements. The three levels of hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Inputs for the asset or liability that are not based on observable market data.

There have been no transfers between fair value levels during the year.

Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The Board mitigates these risks by assessing, monitoring, and approving the Company's risk management processes:

(a) Credit risk

Credit risk is the risk of a potential loss to the Company if a customer or third party to a financial instrument fails to meet its contractual obligations. The maximum credit exposure as of December 31, 2025 and 2024 is the carrying amount of cash and trade receivables. All cash is placed with major U.S. financial institutions. Credit risk from due from trade receivables and note receivable arises from the possibility that amounts due become uncollectible.

The Company applies an expected credit loss model to all financial assets not held at FVTPL, where credit losses that are expected to transpire in future years are provided for, irrespective of whether a loss event has occurred as at the statement of financial position date. The Company is exposed to credit risk primarily through its trade accounts receivable and manages risk through the credit terms extended to its wholesale customers. The Company also monitors the cash-on-delivery retailers published by the New York Office of Cannabis Management ("OCM"). The Company assesses the collectability of its trade accounts receivable on a regular basis through an aging analysis, and utilizes a matrix to estimate a provision for ECLs. The Company measures the loss allowance for trade accounts receivable using a

Fluent Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Amounts expressed in thousands of United States Dollars unless otherwise stated)

simplified approach at an amount equal to the lifetime ECLs. As at December 31, 2025, the Company had estimated its provision for credit losses to be \$122 on its trade receivables (December 31, 2024 – \$12).

(b) Market risk

Market risk is the risk that the future cash flows or the fair value of a financial instrument will fluctuate because of changes in market conditions.

(i) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk.

The Company is not significantly exposed to other price risk with respect to its financial instruments, as their fair values and future cash flows are not impacted materially by fluctuations in market prices.

(ii) Currency risk

The consolidated operating results and consolidated financial position of the Company are reported in U.S. dollars. Some of the Company's financial transactions are denominated in currencies other than the U.S. dollar. The results of the Company's operations are subject to currency transaction and translation risks.

As of December 31, 2025 and 2024, the Company had no hedging agreements in place with respect to foreign exchange rates. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time as it deems its foreign currency exposure to be nominal.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's financial debts have fixed rates of interest and therefore expose the Company to a limited interest rate fair value risk.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by monitoring forecasted cash flows, reviewing ongoing capital requirements, and maintaining sufficient liquidity to meet its obligations as they come due.

As discussed in Note 3b, as at December 31, 2025, the Company determined that material uncertainty existed that may cast significant doubt around the Company's ability to continue as a going concern. Subsequent to December 31, 2025, the Company received funds from the Interim Financing (see Note 28) to assist in liquidity constraints.

(d) Regulatory risk

Fluent Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

Notwithstanding that most of the states have legalized medical marijuana, there has been no change in U.S. federal banking laws related to the deposit and holding of funds derived from activities related to the marijuana industry. Given that U.S. federal law provides that the production and possession of cannabis is illegal, there is a strong argument that banks cannot accept for deposit funds from businesses involved with the marijuana industry. Consequently, businesses involved in the marijuana industry often have difficulty accessing the U.S. banking system and traditional financing sources. The inability to open bank accounts with certain institutions may make it difficult to operate the businesses of the Company and leaves their cash holdings vulnerable.

Because the cannabis industry remains illegal under U.S. federal law, any property owned by participants in the cannabis industry which are either used in the course of conducting such business, or are the proceeds of such business, could be subject to seizure by law enforcement and subsequent civil asset forfeiture. Even if the owner of the property was never charged with a crime, the property in question could still be seized and subject to an administrative proceeding by which, with minimal due process, it could be subject to forfeiture.

24. Capital management

The Company's objective is to maintain a sufficient capital base so as to: (i) maintain investor, creditor, and customer confidence; (ii) sustain future development of the business through both organic and acquisition-based growth; and (iii) provide the ability to continue as a going concern. The Company considers its capital structure to include shareholders' deficit and interest-bearing debt. Total managed capital is as follows:

	December 31, 2025	December 31, 2024
Notes payable	\$ 68,406	\$ 76,012
Shareholders' deficit	(80,960)	(8,982)
Total managed capital	\$ (12,554)	\$ 67,030

The Company manages its capital structure in accordance with changes in economic conditions. In order to maintain or adjust its capital structure, the Company may elect to issue or repay financial liabilities, issue shares, repurchase shares, pay dividends or undertake any other activities as deemed appropriate under the specific circumstances. Under the Company's Credit Agreement, the Company is required to maintain an unrestricted cash balance of \$4,500 at each quarter-end. See Note 28 for amendments made to this liquidity covenant subsequent to December 31, 2025. Management reviews its capital management approach on an ongoing basis.

25. Finance costs, net

The Company's finance costs from continuing operations for the years ended December 31, 2025 and 2024 are as follows:

Fluent Corp.**Notes to the Consolidated Financial Statements****For the years ended December 31, 2025 and 2024***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

	For the year ended December 31,	
	2025	2024
Interest income	\$ (512)	\$ (58)
Interest expense	9,307	9,762
Accretion costs	3,868	5,501
Interest on lease liabilities	7,300	4,406
Loan fees	891	-
Other income	-	(3)
Finance costs, net	\$ 20,854	\$ 19,608

26. Supplemental Cash Flow Information

The following table presents supplemental information for the years ended December 31, 2025 and 2024:

	For the year ended December 31,	
	2025	2024
Income taxes paid	\$ 3,130	\$ 2,104
Interest paid	\$ 8,667	\$ 7,642

Fluent Corp.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

(Amounts expressed in thousands of United States Dollars unless otherwise stated)

27. Employee Retention Tax Credits

During 2023, the Company determined that it was eligible to claim Employee Retention Tax Credits ("ERTC") in the form of refunds of certain federal employment taxes as authorized and established under the CARES Act. As a result, in 2023 the Company filed amended employment tax returns for certain periods in 2021 to claim refunds related to the ERTC of approximately \$4,100.

In August 2023, the Company entered an agreement to sell its ERTC for \$3,400. Pursuant to the terms of the agreement, the buyer has the right to put all or a portion of the ERTC back to the Company, at such time where Company shall be obligated to pay a repurchase price within 10 business days after demand, equal to the portion of the claim amount, plus interest thereon at 10% per annum. As at December 31, 2024 the Company recorded a non-current liability of \$3,447 on its consolidated statement of financial position.

In February 2025, the Company received refunds from the ERTC tax credit totaling \$4,520. Pursuant to the agreement, the Company relinquished its rights to all receipts related to the ERTC, including any interest paid thereon. The receipts satisfied the Company's obligation to the buyer in full. Accordingly, during the year ended December 31, 2025, the Company derecognized its liability to the buyer of \$3,400 and recorded a corresponding increase to other income of \$3,400.

The ERTC funds paid to the Company may be subject to audit in future years. The statute of limitations for the claims in question is two years from the date(s) the refund was paid. The Company believes it is entitled to the ERTC tax credits received.

28. Subsequent Events

On March 18, 2026, the Company entered into an amendment to its existing Credit Agreement which permitted the Company to draw an additional \$6,000 on the date of the amendment in the form of a term loan (the "Interim Financing"). The Interim Financing bears a paid-in-kind interest rate of 13% per annum and is due to mature on December 31, 2026. In connection with the amendment to the Credit Agreement, the Company's lender reduced the quarterly liquidity covenant from \$4,500 to \$2,000.

FLUENT Corp.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("**MD&A**") provides information concerning the financial condition and results of operations of FLUENT Corp. (the "**Company**") for the three months and year ended December 31, 2025.

This MD&A is provided as of April 29, 2026, unless otherwise stated, and should be read along with the Company's audited annual consolidated financial statements for the years ended December 31, 2025 and 2024 (the "**Consolidated Financial Statements**"), including the accompanying notes, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"). The Consolidated Financial Statements have been audited by the Company's auditors.

This MD&A was prepared with reference to National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators.

The Consolidated Financial Statements include the accounts of the Company and its wholly owned subsidiaries and the Company's interests in affiliated companies (see "Basis of consolidation" section within this MD&A). All intercompany balances and transactions have been eliminated on consolidation.

This MD&A includes non-IFRS financial measures, such as "Gross profit before fair value adjustments", "Gross margin before fair value adjustments", "EBITDA", and "Adjusted EBITDA", as defined below. The management of the Company believes that these non-IFRS financial measures, in addition to conventional measures prepared in accordance with IFRS, provide information that is helpful to understand the results of operations and financial condition of the Company. The objective is to present readers with a view of the Company from the management's perspective by interpreting the material trends and activities that affect the operating results, liquidity, and financial position of the Company. These measures are not necessarily comparable to similarly titled measures used by other companies. Reconciliations of these non-IFRS financial measures are presented in this MD&A.

"Gross profit before fair value adjustments" is gross profit plus (minus) the changes in fair value of biological assets. "Gross margin before fair value adjustments" is "gross profit before fair value adjustments" divided by revenue. "EBITDA" is net income (loss), plus (minus) interest expense (income) and finance transactions costs, plus taxes, plus depreciation and amortization. "Adjusted EBITDA" is equal to EBITDA plus (minus) the changes in fair value of biological assets, plus (minus) the changes in fair market value of derivatives, plus (minus) certain one-time non-operating expenses, as determined by management.

FLUENT Corp. was incorporated under the laws of the Province of Ontario, Canada pursuant to the *Business Corporations Act* (Ontario) ("**OBCA**") on August 31, 2018, under the name "Cansortium Inc." On February 5, 2025, the Company amended the Articles to change its name from "Cansortium Inc." to "FLUENT Corp." The Company's registered office is located at 365 Bay Street, Suite 800, Toronto, Ontario, M5H 2V1. The Company's common shares are listed on the Canadian Securities Exchange ("**CSE**") under the trading symbol "FNT.U" and on the OTCQB under the trading symbol "CNTMF".

Additional information relating to the Company, including the Company's audited year-end financial results and unaudited quarterly financial results, are available under the Company's profile on SEDAR+ (www.sedarplus.ca).

Unless otherwise noted, all financial information in this MD&A is presented in thousands of dollars, and all amounts are expressed in United States ("**U.S.**") dollars.

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains forward-looking statements that relate to the Company's current expectations and views of future events. All statements, other than statements of historical facts, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements.

In some cases, these forward-looking statements can be identified by words or phrases such as "may", "might", "will", "expect", "anticipate", "estimate", "intend", "plan", "indicate", "seek", "believe", "predict" or "likely", or the negative of these terms, or other similar expressions intended to identify forward-looking statements. The Company has based these forward-looking statements on its current expectations and projections about future events, financial outlook, and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements

may include, among other things, statements relating to future financial conditions, results of operations, plan, objectives, performance, or business developments.

Forward-looking statements are based on certain assumptions and analyses made by the Company considering the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward-looking statements included in this MD&A, the Company has made various material assumptions, including but not limited to the performance of the Company's business and operations; the receipt and/or maintenance by the Company of required licenses and permits in a timely manner or at all; the intention to grow the business and operations of the Company; the expected growth in the number of the people using medical cannabis products; expectations of market size and growth in the United States; the competitive conditions and increasing competition of the cannabis industry; applicable laws, regulations and any amendments thereof; the competitive and business strategies of the Company; the Company's operations in the United States, the characterization and consequences of those operations under federal United States law, and the framework for the enforcement of medical and adult use cannabis and cannabis-related offenses in the United States; the completion of additional cultivation and retail facilities; the general economic, financial market, regulatory and political conditions in which the Company operates; the United States regulatory landscape and enforcement related to cannabis, including political risks; anti-money laundering laws and regulation; other governmental and environmental regulation; public opinion and perception of the cannabis industry; the enforceability of contracts; reliance on the expertise and judgment of senior management of the Company; proprietary intellectual property and potential infringement by third parties; the concentrated voting control of the Company by certain shareholders of the Company and the unpredictability caused by the capital structure; risks inherent in an agricultural business; risks relating to energy costs; risks associated to cannabis products manufactured for human consumption including potential product recalls; reliance on key inputs, suppliers and skilled labor; cybersecurity risks; ability and constraints on marketing products; fraudulent activity by employees, contractors and consultants; tax and insurance related risks; risk of litigation; conflicts of interest; security risks; risks related to future acquisitions or dispositions; sales by existing shareholders; limited research and data relating to cannabis; the medical benefits, viability, safety, efficacy and social acceptance of cannabis; the availability of financing opportunities, the ability to make payments on existing indebtedness; risks related to pricing pressures in the states in which the Company operates; risks associated with economic, political and social conditions; risks related to contagious disease; and other risks described in this MD&A and described from time to time in documents filed by the Company with Canadian securities regulatory authorities. Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to several known and unknown risks, uncertainties, assumptions, and other factors, including risks described in the public documents of the Company available at www.sedarplus.ca.

The Company's forward-looking statements are based on the reasonable beliefs, expectations, and opinions of management on the date of this MD&A (or as of the date they are otherwise stated to be made). Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results that were not anticipated, estimated, or intended. There is no assurance that such 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. The Company does not undertake to update or revise any forward-looking statements except to the extent required by applicable securities laws.

Basis of Consolidation

This MD&A includes the accounts of the Company and its wholly and majority-owned subsidiaries. Subsidiaries over which the Company has control are fully consolidated from the date control commences until the date control ceases. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights that are currently exercisable are taken into account. Non-controlling interests in the equity of consolidated subsidiaries are shown separately in the consolidated statement of operations and in the consolidated statement of changes in shareholders' equity. All intercompany balances and transactions are eliminated on consolidation. The information below lists the Company's subsidiaries that are consolidated in the Condensed Interim Consolidated Financial Statements and the ownership interest held as of December 31, 2025 and 2024.

	% Ownership December 31, 2025	% Ownership December 31, 2024
Cansortium Holdings LLC	100%	100%
Cansortium Pennsylvania, LLC	-	100%
Cansortium Puerto Rico, LLC	100%	100%
Cansortium Texas, LLC	100%	100%
Cansortium Canada Holdings Inc.	100%	100%
Fluent Servicing, LLC	100%	100%
Cansortium Brazil Ltda.	100%	100%
Cansortium Florida, LLC	100%	100%
Cansortium Colombia S.A.S.	50%	50%
Spirit Lake Road Nursery, LLC	100%	100%
Cavern Capital Holdings LLC	100%	100%
Fluent Hemp LLC	100%	100%
Cansortium International Inc.	100%	100%
Trick Tail Capital LLC	100%	100%
RIV Capital Inc.	100%	100%
2683922 Ontario Inc.	100%	100%
RIV Capital US Corp.	100%	100%
RIV Capital US Services LLC	100%	100%
Allgro Holdings LLC	100%	100%
Etain, LLC	100%	100%

On December 31, 2025, the Company completed the sale of its Pennsylvania operations for cash proceeds of \$12,500. Further details provided under "Business Overview".

Business Overview

The Company, through its subsidiaries, is licensed to produce and sell medical cannabis in Florida and Texas and was licensed to sell medical cannabis in Pennsylvania, prior to the disposition of its Pennsylvania operations on December 31, 2025.

The Company, through one of its subsidiaries, is also licensed to sell hemp-derived cannabis products in Florida, although that accounts for a negligible amount of business activity during the reporting period.

Through its acquisition of RIV Capital Inc. on December 19, 2024, the Company is licensed to produce and sell both medical and adult-use cannabis in New York.

The Company discontinued its operations in Puerto Rico, Canada and Colombia during 2019. The Company discontinued its operations in Brazil during 2022.

In the United States, licensing for medical or recreational cannabis cultivation, production, sale, and use is determined at a state level basis and not federally. Cultivation, sale and use of cannabis is illegal under federal law in the United States pursuant to the

U.S. Controlled Substances Act of 1970. Each state which allows the production, sale and/or use of cannabis has its own legislation, rules, regulations, and policies with respect to the licensing of medical or recreational cannabis-related activities. The Company believes that its operations are in full compliance with all applicable state and local laws, regulations, and licensing requirements.

RIV Acquisition

On May 30, 2024, the Company and RIV Capital Inc. (“**RIV Capital**”) entered into a definitive arrangement agreement pursuant to which the Company would acquire all of the issued and outstanding common shares of RIV Capital in exchange for common shares of the Company (the “**RIV Transaction**”). RIV Capital, through its subsidiary Etain LLC, is a vertically integrated cannabis company licensed in New York state to cultivate, manufacture, process, and distribute both medical and adult-use cannabis in both retail and wholesale markets. Through the RIV Transaction, the Company was able to gain access to cannabis operations in New York state and had access to RIV Capital’s cash balance, which has enabled the Company to continue its growth objectives.

On December 19, 2024, following receipt of requisite shareholder and regulatory approvals, the RIV Transaction was effected and RIV Capital shareholders received 1.245 Fluent common shares in exchange for each RIV Capital common share held.

Florida

Most of the Company’s existing business takes place in the State of Florida.

In the State of Florida, the Department of Health, Office of Medical Marijuana Use (the “**OMMU**”) issues licenses to Medical Marijuana Treatment Centers to cultivate, process and sell medical cannabis (referred to as an “**MMTC License**”). The Company operates under an MMTC License issued to Spirit Lake Road Nursery, LLC, a wholly owned indirect subsidiary of the Company.

As of the date of this MD&A, the Company operates cultivation facilities in Zolfo Springs, FL (the “**Sweetwater Facility**”), Polk City, FL (the “**Polk Facility**”), Ruskin, FL (the “**Ruskin Facility**”), Tampa, FL (the “**Rosa Facility**”), and a cultivation and production facility in Tampa, FL (the “**Tampa Facility**”). The Tampa Facility produces various products ranging from topicals, inhalation vaporizers, oral, smoking and edibles.

The Tampa Facility is approximately 22,000 sq. ft. of indoor cultivation which includes 20,160 sq. ft. of flowering canopy. In the second quarter of 2022, the Company added 24,225 sq. ft. of building to the existing Tampa Facility with approximately 9,000 sq. ft. of new cultivation area and approximately 15,000 sq. ft. of new production and office space.

The Sweetwater Facility commenced operations in the fourth quarter of 2020 and includes 26,000 sq. ft. of indoor cultivation, production, administrative space, and a 40,000 sq. ft. greenhouse, on 15 acres. Current cultivation is 15,400 sq. ft. of indoor flowering canopy, with its first harvesting occurring in March 2021. Additionally, the Sweetwater Facility has expansion capacity for up to seven additional greenhouses.

The Polk Facility commenced operations in the third quarter of 2022 and includes a 27,000 sq. ft. greenhouse, on 72 acres with its first harvesting occurring in December 2022. Additionally, the Polk Facility has expansion capacity for up to five acres of additional greenhouses.

The Ruskin Facility commenced operations in the first quarter of 2024 and includes a 13,824 sq. ft. of indoor flowering canopy, with its first harvesting occurring in second quarter of 2024.

The Rosa Facility commenced operations on May 8, 2025 and includes approximately 9,300 sq. ft. of indoor canopy and completed its first harvest in September 2025.

As of December 31, 2025, the Company operated 31 dispensaries throughout the State of Florida.

Texas

The Company owns and operates approximately 1,300 sq. ft. of cultivation space in climate and humidity-controlled C-containers which include 1,920 sq. ft. of flowering canopy over 2 levels. The Company completed construction of its first pick-up and

education center in Houston, Texas which opened in the first quarter of 2026. The Company has rights to expand the cultivation facility up to 400,000 additional sq. ft. as demand requires.

Pennsylvania

Throughout 2024 and 2025, the Company operated three dispensaries in the south-central region of Pennsylvania for the sale of medical cannabis. The Company's dispensing permit allowed for the purchase of finished products from permitted processors in the Commonwealth of Pennsylvania.

On December 31, 2025, the Company completed the sale of its Pennsylvania operations for cash proceeds of \$12,500 (the "**Pennsylvania Disposition**"). Pursuant to the terms of the definitive agreement entered into in connection with the Pennsylvania Disposition, the sale price was subject to adjustment pursuant to a customary working capital adjustment. The working capital adjustment did not result in a change to the purchase price.

The Pennsylvania Disposition included all of the assets and liabilities held within the Company's wholly owned subsidiary, Consortium Pennsylvania, LLC, and comprises the entire Pennsylvania cannabis operating segment. The Company determined that the Pennsylvania operating segment constitutes a component of the Company as it represents a separate major geographical area of operation. Accordingly, the results of the Pennsylvania cannabis operating segment have been presented as results from discontinued operations for the years ended December 31, 2025 and 2024.

The Company recognized a gain on disposition of the Pennsylvania business. The gain on disposition is presented within comprehensive income (loss) from discontinued operations.

New York

As of the date of this MD&A, the Company operates a cultivation and production facility in Buffalo, NY (the "**Buffalo Facility**"), and a cultivation and production facility in Chestertown, NY (the "**Chestertown Facility**").

The Chestertown Facility was constructed in 2015, and originally comprised of approximately 20,000 square feet, including approximately 8,100 square feet of rooms dedicated for flowering and includes two smaller extraction labs and a larger production floor for the manufacture of cannabis products (dried flower, pre-rolls, vaporizers, capsules, tinctures, powders, lozenges, lotions, and oral sprays).

In 2023, the Chestertown Facility completed a significant expansion, adding more than 40,000 square feet of additional cultivation, lab, and manufacturing space, including approximately 28,800 square feet of additional flowering rooms spanning eight new hybrid greenhouse bays, as well as additional production space to meet the anticipated demands of the adult-use market in New York.

On August 23, 2022, RIV Capital entered into a lease agreement with Laborers Way 1 LLC, an affiliate of leading California-based developer Zephyr (the "**Zephyr Lease**"), for the development and operation of the Buffalo Facility. Under the lease agreement, the Company leases two buildings totalling approximately 75,000 square feet, including a 68,000 square foot indoor cultivation facility.

On August 20, 2025, the Company announced the commencement of operations at the Buffalo Facility. Sales from the first harvest at the Buffalo Facility occurred in December 2026.

As of December 31, 2025, the Company operated three co-located adult-use and medical cannabis dispensaries in the State of New York. Under the New York Marijuana Regulation and Tax Act ("MRTA") the Company may open an additional five medical dispensaries.

Products and Brands

The Company's cannabis products are offered in oral drops, capsule, topical, syringe, dried flower, pre-roll, ground flower, cartridge, concentrate and edible forms, along with accessories. The Company's products have shifted from marketing mainly

under the FLUENT™ brand name, launched in May 2019, to a house of brands that includes Bag-O, FLUENT, Hyer Kind, Knack, MOODS, and Wandr. Prior to the launch of the FLUENT brand the Company operated under the Knox Medical brand.

Throughout 2025, in Pennsylvania, the Company's product portfolio included a variety of third-party branded medical cannabis products.

Management's Discussion & Analysis of the Company for the three months ended December 31, 2025 and 2024

FINANCIAL HIGHLIGHTS

(all figures in 000's)

Financial results	Three months ended		
	December 31, 2025	December 31, 2024	Variance
Revenue	\$ 18,607	\$ 21,064	\$ (2,457)
Gross profit before fair value adjustments ⁽¹⁾	\$ 2,086	\$ 8,563	\$ (6,477)
Gross margin before fair value adjustments ⁽¹⁾	11.2%	40.7%	-29.4%
Gross profit	\$ 1,941	\$ 6,348	\$ (4,407)
Gross margin	10.4%	30.1%	-19.7%
Selling, general and administrative expenses	\$ 10,788	\$ 11,789	\$ (1,001)
EBITDA ⁽¹⁾	\$ (36,421)	\$ (30,022)	\$ (6,399)
Adjusted EBITDA ⁽¹⁾	\$ 3,178	\$ 7,527	\$ (4,349)
Net income (loss) from continuing operations	\$ (52,682)	\$ (25,461)	\$ (27,221)
Net income (loss) from discontinued operations	\$ 12,195	\$ 70	\$ 12,125
Net loss per share basic and diluted - continuing operations	\$ (0.08)	\$ (0.08)	\$ (0.00)
Net earnings per share basic and diluted - discontinued operations	\$ 0.02	\$ 0.00	\$ 0.02
Statement of financial position			
	December 31, 2025	December 31, 2024	Variance
Total assets	\$ 148,582	\$ 206,993	\$ (58,411)
Total long-term liabilities	204,338	187,606	(16,732)
Total liabilities	\$ 229,542	\$ 215,975	(13,567)

Notes:

(1) Adjusted gross profit, adjusted gross margin, EBITDA and Adjusted EBITDA are non-IFRS financial measures that do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Refer to the reconciliation to IFRS and quarterly results of operations sections below for reconciliation to IFRS. EBITDA and Adjusted EBITDA represent both continuing and discontinued operations.

QUARTERLY RESULTS OF OPERATIONS (three months ended December 31, 2025 and 2024)

(all figures in 000's)

	Three months ended		
	December 31, 2025	December 31, 2024	Variance
Revenue, net of discounts	\$ 18,607	\$ 21,064	\$ (2,457)
Cost of goods sold	16,521	12,501	4,020
Gross profit before fair value adjustments ⁽¹⁾	2,086	8,563	(6,477)
Gross margin before fair value adjustments ⁽¹⁾	11.2%	40.7%	-29.4%
Realized fair value of increments on inventory sold	2,063	(1,383)	3,446
Unrealized change in fair value of biological assets	(2,208)	(832)	(1,376)
Gross profit	1,941	6,348	(4,407)
Gross margin	10.4%	30.1%	-19.7%
Expenses			
General and administrative	3,565	5,096	(1,531)
Sales and marketing	5,432	4,922	510
Depreciation and amortization	1,700	1,652	48
Share-based compensation	91	119	(28)
Total expenses	10,788	11,789	(1,001)
Loss from operations	(8,847)	(5,441)	(3,406)
Other expense (income), net			
Finance costs, net	5,492	5,168	324
Change in fair value of derivative liability	16	(1,392)	1,408
Loss on remeasurement of provision liability	(480)	-	(480)
Loss on debt settlement	479	8,725	(8,246)
Loss on disposal of assets	(29)	25	(54)
Impairment expense	36,910	64,285	(27,375)
Gain on lease modification	(253)	(223)	(30)
Bargain purchase gain on business combination	-	(44,520)	44,520
Loss on loan	-	1,201	(1,201)
Income from ERTC Credit	(3,447)	-	(3,447)
Other income	(40)	63	(103)
Total other expense, net	38,648	33,332	5,316
Loss before taxes	(47,495)	(38,773)	(8,722)
Income taxes	5,187	(13,312)	18,499
Net income (loss) from continuing operations	(52,682)	(25,461)	(27,221)
Net income (loss) from discontinued operations	12,195	70	12,125
Net loss	(40,487)	(25,391)	(15,096)
Other comprehensive income (loss)			
Foreign currency translation adjustment	-	(862)	862
Comprehensive loss	(40,487)	(26,253)	(14,234)

Revenue

Consolidated revenue from continuing operations for the three months ended December 31, 2025 decreased 11.7% to \$18,607 compared to \$21,064 for the same period last year. Revenue for the three months ended December 31, 2025, consisted primarily of revenue generated through the Company's 31 Florida dispensaries and three dispensaries and wholesale revenue in New York. Revenue for the three months ended December 31, 2024, consisted primarily of revenue generated through the Company's 35 Florida dispensaries.

Gross profit / Adjusted gross profit

Adjusted gross profit from continuing operations for the three months ended December 31, 2025 was \$2,086, or 11.2% of revenue, versus adjusted gross profit of \$8,563, or 40.7% of revenue, for the same period last year.

Gross profit from continuing operations for the three months ended December 31, 2025 was \$1,941, or 10.4% of revenue, versus gross profit of \$6,348 or 30.1% of revenue, for the same period last year. The variance in gross profit is the result of changes in fair value of biologic asset and decrease in revenue due to price compression in the Florida market.

Total Expenses

Consolidated selling, general and administrative ("SG&A") expenses for continuing operations for the three months ended December 31, 2025 and 2024 were as follows:

	Three months ended		
	December 31, 2025	December 31, 2024	Variance
General and administrative expenses	\$ 3,565	\$ 5,096	\$ (1,531)
Selling and marketing expenses	5,432	4,922	510
Depreciation and amortization	1,700	1,652	48
Share-based compensation	91	119	(28)
Total expenses	\$ 10,788	\$ 11,789	\$ (1,001)

Total expenses of \$10,788 for the three months ended December 31, 2025 decreased by \$1,001 compared to the same period last year. This decrease was primarily driven by a \$1,531 decrease in general and administrative expenses and a decrease in share-based compensation of \$28, which was partially offset by an increase in selling and marketing expenses of \$510 and an increase in depreciation and amortization of \$48.

General and administrative expenses

As noted above, total general and administrative expenses of \$3,565 decreased by \$1,531 for the three months ended December 31, 2025, compared to \$5,096 for the same period last year. Decreases in general and administrative expenses were primarily attributed to decreases in legal expenditures associated with business combinations for the three months ended as compared to the same period last year.

Selling and marketing expenses

Selling and marketing expenses of \$5,432 increased by \$510 for the three months ended December 31, 2025, compared to \$4,922 for the same period last year. This was primarily driven by an increase in facility and advertising expenses as of December 31, 2025.

Selling and marketing expenses as a percentage of revenue is 29.2% for the three months ended December 31, 2025, versus 23.4% for the same period last year.

Depreciation and amortization

Increase in depreciation and amortization expense for the three-month period ended December 31, 2025, compared to the three-month period ended December 31, 2024, is primarily driven by additional depreciation and amortization expense related to leasehold improvements for dispensaries.

Share-based compensation

Share-based compensation decreased by \$28 for the three-month period ended December 31, 2025 compared to the three-month period ended December 31, 2024. Accounting treatment for stock compensation expense is front loaded for stock and option grants, our grants are in the latter years of their vesting periods and as a result, stock compensation expense decreased compared to the same period ended December 31, 2024. Option forfeitures during the three-month period ended December 31, 2025 also resulted in recapture of share-based compensation expense which reduced the expense as compared to the same period last year.

Other expense, net

Other expense, net for the three months ended December 31, 2025, and 2024 was comprised of the following:

	Three months ended		
	December 31, 2025	December 31, 2024	Variance
Finance costs, net	\$ 5,492	\$ 5,168	\$ 324
Change in fair value of derivative liability	16	(1,392)	1,408
Change in remeasurement of provision liability	(480)	-	(480)
Loss on debt settlement	479	8,725	(8,246)
Loss (gain) on disposal of assets	(29)	25	(54)
Impairment expense	36,910	64,285	(27,375)
Gain on lease modification	(253)	(223)	(30)
Bargain purchase gain on business combination	-	(44,520)	44,520
Loss on loan	-	1,201	(1,201)
Income from ERTC Credit	(3,447)	-	(3,447)
Other expense (income)	(40)	63	(103)
Total other expense, net	\$ 38,648	\$ 33,332	\$ 5,316

Total other expense, net for continuing operations during the three months ended December 31, 2025 consists of a net expense of \$38,648, compared to a net expense of \$33,332 for the three months ended December 31, 2024. Other expense for the three months ended December 31, 2025, consists of finance costs of \$5,492, change in fair value of derivative liability of \$16, loss on debt settlement of \$479, and impairment of \$36,910, offset by a gain on remeasurement of provision liability of \$480, gain on disposal of assets of \$29, gain on lease modification of \$253, income from the Employee Retention Tax Credit ("ERTC") of \$3,447, and other income of \$40.

Other expense, net for the three months ended December 31, 2024, consists of finance costs of \$5,168, change in fair value of derivative liability of \$1,392, loss on debt settlement of \$8,725, loss on disposal of assets of \$25, impairment of \$64,285, loss on loan of \$1,201, and other expense of \$63, offset by a change in fair value of derivative liability of \$1,392, gain on lease modification of \$223, and bargain purchase gain on business combination of \$44,520.

Impairment expense for the three months ended December 31, 2025 of \$36,910 related wholly to the Company's New York cash generating unit ("CGU") and was recognized on the Company's New York right-of-use assets, cannabis license intangible asset, and fixed assets. Impairment expense for the three months ended December 31, 2024 of \$64,285 related wholly to the Company's Florida CGU and was recognized on the Company's Florida cannabis license intangible asset.

Income from the Company's ERTC credit for the three months ended December 31, 2025 was a result of the settlement of the Company's liability to a third-party purchaser of the Company's ERTC credits. During the year ended December 31, 2025, the Company received refunds from the Internal Revenue Service ("IRS") pertaining to its previous ERTC claims, which were used to

settle the Company's liability. This was a one-time liability reversal, and thus no income was recorded for the same period last year.

Finance costs, net of \$5,492 for the three months ended December 31, 2025, were comprised of interest expense of \$2,351, accretion costs of \$1,058, right-of-use interest expense of \$1,897, and loan fees of \$237, partially offset by \$52 related to interest income.

Finance costs of \$5,168 for the three months ended December 31, 2024, were primarily comprised of interest expense of \$2,768, accretion costs of \$1,344, and right-of-use interest expense of \$1,077, which were marginally offset by \$21 of interest income.

During the three months ended December 31, 2025, the Company recognized a \$16 loss in fair value on revaluation of the derivative liability associated with the Smith Convertible Note (as defined below), versus a gain on the revaluation of the derivative liability associated with the Equity Price Guarantee of \$1,392 for the same period last year.

Change on remeasurement of provision liability for the three months ended December 31, 2025 relates to the New York Special License Fee. The Company remeasured the provision liability at period end using current discount rates and updated revenue projections to estimate the timing of future payments. The provision liability was acquired via the RIV Transaction, therefore no gain or loss on remeasurement was recognized for the three months ended December 31, 2024.

EBITDA

EBITDA is a non-IFRS financial measure that does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. The Company calculates EBITDA from net income (loss), plus (minus) interest expense (income), plus taxes, plus depreciation and amortization, as follows:

	Three months ended		
	December 31, 2025	December 31, 2024	Variance
Net loss - continuing and discontinued ops	\$ (52,682)	\$ (25,461)	\$ (27,221)
Interest expense	5,492	5,168	324
Income taxes	5,187	(13,312)	18,499
Depreciation and amortization	5,333	3,320	2,013
Interest expense, income taxes, depreciation and amortization - discontinued operations	249	263	(14)
EBITDA - continuing and discontinued ops	\$ (36,421)	\$ (30,022)	\$ (6,399)

Adjusted EBITDA

Adjusted EBITDA is a non-IFRS financial measure that does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. The Company calculates adjusted EBITDA from EBITDA plus (minus) unrealized loss (gain) on embedded derivatives, plus (minus) certain one-time non-operating expenses, as determined by management. The reconciliation from EBITDA to Adjusted EBITDA is as follows:

	Three months ended		
	December 31, 2025	December 31, 2024	Variance
EBITDA - continuing and discontinued ops	\$ (36,421)	\$ (30,022)	\$ (6,399)
Change in fair value of biological assets	145	2,215	(2,070)
Change in fair market value of derivative	16	(1,392)	1,408
Change in remeasurement of provision liability	(480)	-	(480)
Impairment expense	36,910	64,285	(27,375)
Bargain purchase gain	-	(44,520)	44,520
Income from ERTC Credit	(3,447)	-	(3,447)
Gain on lease modifications	(253)	(223)	(30)
Loss on debt settlement and remeasurement	479	8,725	(8,246)
Loss on loan	-	1,201	(1,201)
Professional fees ⁽¹⁾	2,155	5,584	(3,429)
One-time employee costs ⁽²⁾	868	927	(59)
Share-based compensation	91	119	(28)
Loss on disposal of assets	(29)	25	(54)
Other non-recurring expense	3,144	471	2,673
Adjusted EBITDA - continuing and discontinued ops	\$ 3,178	\$ 7,395	\$ (4,217)

(1) Legal and professional fees associated with potential transactions and professional fees associated with prior periods.

(2) Severance and relocation costs.

Management's Discussion & Analysis of the Company for the year ended December 31, 2025 and 2024

(all figures in 000's)

FINANCIAL HIGHLIGHTS

Financial results	Year ended			Variance
	December 31, 2025	December 31, 2024		
Revenue	\$ 86,689	\$ 87,392	\$	(703)
Gross profit before fair value adjustments ⁽¹⁾	\$ 28,614	\$ 44,312	\$	(15,698)
Gross margin before fair value adjustments ⁽¹⁾	33.0%	50.7%		-17.7%
Gross profit	\$ 28,068	\$ 48,542	\$	(20,474)
Gross margin	32.4%	55.5%		-23.1%
Selling, general and administrative expenses	\$ 46,746	\$ 44,731	\$	2,015
EBITDA ⁽¹⁾	\$ (10,765)	\$ 1,025	\$	(11,790)
Adjusted EBITDA ⁽¹⁾	\$ 12,681	\$ 24,796	\$	(12,115)
Net income (loss) from continuing operations	\$ (72,496)	\$ (40,390)	\$	(32,106)
Net income (loss) from discontinued operations	\$ 13,195	\$ 923	\$	12,272
Net loss per share basic and diluted - continuing operations	\$ (0.16)	\$ (0.14)	\$	(0.02)
Net earnings per share basic and diluted - discontinued operations	\$ 0.02	\$ 0.00	\$	0.02
Statement of financial position	December 31, 2025	December 31, 2024		Variance
Total assets	\$ 148,582	\$ 206,993	\$	(58,411)
Total long-term liabilities	\$ 204,338	\$ 187,606	\$	(16,732)
Total liabilities	\$ 229,542	\$ 215,975	\$	(13,567)

Notes:

(1) Adjusted gross profit, adjusted gross margin, EBITDA and Adjusted EBITDA are non-IFRS financial measures that do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Refer to the reconciliation to IFRS and quarterly results of operations sections below for reconciliation to IFRS. EBITDA and Adjusted EBITDA represent both continuing and discontinued operations.

RESULTS OF OPERATIONS (year ended December 31, 2025 and 2024)

(all figures in 000's)

	Year ended		
	December 31, 2025	December 31, 2024	Variance
Revenue, net of discounts	\$ 86,689	\$ 87,392	\$ (703)
Cost of goods sold	58,075	43,080	14,995
Gross profit before fair value adjustments ⁽¹⁾	28,614	44,312	(15,698)
Gross margin before fair value adjustments ⁽¹⁾	33.0%	50.7%	-17.7%
Realized fair value of increments on inventory sold	187	(3,642)	3,829
Unrealized change in fair value of biological assets	(733)	7,872	(8,605)
Gross profit	28,068	48,542	(20,474)
Gross margin	32.4%	55.5%	-23.2%
Expenses			
General and administrative	16,883	17,576	(693)
Sales and marketing	22,185	20,221	1,964
Depreciation and amortization	7,370	6,396	974
Share-based compensation	308	538	(230)
Total expenses	46,746	44,731	2,015
Income (loss) from operations	(18,678)	3,811	(22,489)
Other expense (income), net			
Finance costs, net	20,854	19,608	1,246
Change in fair value of derivative liability	(516)	(9,684)	9,168
Change on remeasurement of provision liability	(5,203)	-	(5,203)
Loss on debt settlement	479	8,725	(8,246)
Loss on disposal of assets	490	237	253
Impairment expense	36,910	64,285	(27,375)
Gain on lease modification	(253)	(223)	(30)
Bargain purchase gain on business combination	-	(44,520)	44,520
Loss on loan	-	1,201	(1,201)
Income from ERTC Credit	(3,447)	-	(3,447)
Other expense	(19)	68	(87)
Total other expense, net	49,295	39,697	9,598
Income (loss) before taxes	(67,973)	(35,886)	(32,087)
Income taxes	17,718	5,427	12,291
Net income (loss) from continuing operations	(85,691)	(41,313)	(44,378)
Net income (loss) from discontinued operations	13,195	923	12,272
Net loss	(72,496)	(40,390)	(32,106)
Other comprehensive income (loss)			
Foreign currency translation adjustment	-	(862)	862
Comprehensive loss	(72,496)	(41,252)	(31,244)

Revenue

Consolidated revenue for the year ended December 31, 2025, decreased 0.8% to \$86,689, compared to \$87,392 for the same period last year. Revenue for the year ended December 31, 2025, consisted primarily of revenue generated through the Company's 31 Florida dispensaries and three dispensaries and wholesale revenue in New York.

Gross profit / Adjusted gross profit

Adjusted gross profit for the year ended December 31, 2025, was \$28,614, or 33.0% of revenue, versus adjusted gross profit of \$44,312, or 50.7% of revenue for the same period last year.

Gross profit for the year ended December 31, 2025, was \$28,068, or 32.4% of revenue, versus gross profit of \$48,542, or 55.5% of revenue for the same period last year. The decrease in gross profit for the year ended December 31, 2025 compared to the year ended December 31, 2024 is the result of decrease in fair value of biological assets and due to decrease in Florida revenue.

Total expenses

Consolidated total expenses for the year ended December 31, 2025 and 2024 are as follows:

	Year ended		
	December 31, 2025	December 31, 2024	Variance
General and administrative expenses	\$ 16,883	\$ 17,576	\$ (693)
Selling and marketing expenses	22,185	20,221	1,964
Depreciation and amortization	7,370	6,396	974
Share-based compensation	308	538	(230)
Total expenses	\$ 46,746	\$ 44,731	\$ 2,015

Total expenses of \$46,746 for the year ended December 31, 2025 increased by \$2,015 compared to the same period last year. This increase was driven by a \$1,964 increase in selling and marketing expenses, \$974 increase in depreciation and amortization, which were offset by a decrease of \$693 of general and administrative expenses and \$230 in share-based compensation.

General and administrative expenses

Decrease of \$693 of general and administrative expenses for the year ended December 31, 2025 compared to the same period last year is the result of decrease in legal expenditures associated with the RIV Transaction.

Selling and marketing expenses

Selling and marketing expenses of \$22,185 for the year ended December 31, 2025 increased by \$1,964 compared to \$20,221 for the same period last year. This was primarily driven by RIV Transaction in December of 2024.

Selling and marketing expenses as a percentage of revenue is 25.6% for the year ended December 31, 2025, versus 23.1% for the same period last year.

Depreciation and amortization

Increase in depreciation and amortization expense for the year ended December 31, 2025 compared to the year ended December 31, 2024 is the result of the inclusion of a full year of depreciation and amortization expense related to the RIV Transaction which closed in the fourth quarter of 2024.

Share-based compensation

Share-based compensation decreased by \$230 for the year ended December 31, 2025 compared to the year ended December 31, 2024. As the accounting treatment for stock compensation expense is front loaded under graded vesting methodology and many of the Company's grants are in the latter years of their vesting periods, stock compensation expense decreased compared to the same period ended December 31, 2024. Option forfeitures during the year ended December 31, 2025 also resulted in recapture of share-based compensation expense which reduced the expense as compared to the same period last year.

Other expense (income)

Other expense (income) for the year ended December 31, 2025 and 2024 are as follows:

	Year ended		
	December 31, 2025	December 31, 2024	Variance
Finance costs, net	\$ 20,854	\$ 19,608	\$ 1,246
Change in change in fair value of derivative liability	(516)	(9,684)	9,168
Gain on remeasurement of provision liability	(5,203)	-	(5,203)
Loss on debt settlement	479	8,725	(8,246)
Loss on disposal of assets	490	237	253
Impairment expense	36,910	64,285	(27,375)
Gain on lease modification	(253)	(223)	(30)
Bargain purchase gain on business combination	-	(44,520)	44,520
Loss on loan	-	1,201	(1,201)
Income from ERTC Credit	(3,447)	-	(3,447)
Other expense (income)	(19)	68	(87)
Total other expense, net	\$ 49,295	\$ 39,697	\$ 9,598

Finance costs of \$20,854 for the year ended December 31, 2025 were comprised of interest expense of \$9,307, accretion costs of \$3,868, right-of-use interest expense of \$7,300 and loan fees of \$891, partially offset by \$512 of interest income.

Finance costs of \$19,608 for the year ended December 31, 2024 was comprised of interest expense of \$9,762, accretion costs of \$5,501, right-of-use interest expense of \$4,406, partially offset by \$58 of interest income and \$3 of other income.

During the year ended December 31, 2025, the Company recognized a \$516 gain in fair value on revaluation of the derivative liability associated with the Smith Convertible Note, versus a gain on the revaluation of the derivative liability associated with the Equity Price Guarantee of \$9,684 for the same period last year.

Gain on remeasurement of provision liability for the year ended December 31, 2025 relates to the New York Special License Fee. During the twelve-month period, New York legislation was revised such that the aggregate amount payable on revenue milestone payments was reduced from \$15,000 to \$10,000. Accordingly, the Company recognized a gain on remeasurement of its remaining obligation based on the present value of the future payments, which is the primary driver of the twelve-month gain. No gain on remeasurement of provision liability was recognized for the comparative year ended December 31, 2024 as the provision liability arose from the Company's acquisition of RIV Capital on December 19, 2024.

During the year ended December 31, 2025, the Company recognized a loss on disposal of assets related to five closures of retail dispensaries in the Florida market and one dispensary closure in the New York market.

EBITDA

EBITDA is a non-IFRS financial measure that does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. The Company calculates EBITDA from net loss, plus finance costs, plus income taxes, plus depreciation and amortization, as follows:

	Year ended		
	December 31, 2025	December 31, 2024	Variance
Net loss - continuing and discontinued ops	\$ (72,496)	\$ (40,390)	\$ (32,106)
Interest expense	20,854	19,608	1,246
Income taxes	17,718	5,427	12,291
Depreciation and amortization	20,995	14,091	6,904
Interest expense, income taxes, depreciation and amortization - discontinued operations	2,164	2,289	(125)
EBITDA - continuing and discontinued ops	\$ (10,765)	\$ 1,025	\$ (11,790)

Adjusted EBITDA

Adjusted EBITDA is a non-IFRS financial measure that does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. The Company calculates adjusted EBITDA from EBITDA plus (minus) unrealized loss (gain) on embedded derivatives, plus (minus) certain one-time non-operating expenses, as determined by management. The reconciliation from EBITDA to Adjusted EBITDA is as follows:

	Year ended		
	December 31, 2025	December 31, 2024	Variance
EBITDA - continuing and discontinued ops	\$ (10,765)	\$ 1,025	\$ (11,790)
Change in fair value of biological assets	546	(4,230)	4,776
Change in fair market value of derivative	(516)	(9,684)	9,168
Change in remeasurement of provision liability	(5,203)	-	(5,203)
Impairment expense	36,910	64,285	(27,375)
Bargain purchase gain	-	(44,520)	44,520
Income from ERTC Credit	(3,447)	-	(3,447)
Gain on lease modifications	(253)	(223)	(30)
Loss on debt settlement and remeasurement	479	8,725	(8,246)
Loss on loan	-	1,201	(1,201)
Professional fees ⁽¹⁾	2,155	5,584	(3,429)
One-time employee costs ⁽²⁾	868	927	(59)
Share-based compensation	308	538	(230)
Loss on disposal of assets	490	-	490
Other non-recurring expense ⁽³⁾	3,144	1,168	1,976
Gain on disposition of Consortium PA LLC	(12,035)	-	(12,035)
Adjusted EBITDA - continuing and discontinued ops	\$ 12,681	\$ 24,796	\$ (12,115)

(1) Legal and professional fees associated with potential transactions and professional fees associated with prior periods.

(2) Severance and relocation costs.

(3) Pre-operational expenses and lease modifications.

HISTORICAL QUARTERLY RESULTS

The following table sets forth a summary of unaudited quarterly financial information for continuing operations for the last eight consecutive fiscal quarters up to and including the fourth quarter of 2025. This quarterly financial information has been prepared in accordance with IFRS.

Quarter ended (\$ in 000's)	Dec-31 2025	Sep-30 2025	Jun-30 2025	Mar-31 2025	Dec-31 2024	Sep-30 2024	Jun-30 2024	Mar-31 2024
Revenue	\$ 18,607	\$ 22,367	\$ 22,811	\$ 22,905	\$ 21,064	\$ 22,059	\$ 23,128	\$ 21,141
Gross profit before fair value adjustment	2,086	6,576	8,853	11,100	8,563	12,828	12,216	10,705
Gross profit	1,941	6,636	5,668	13,824	6,348	10,118	18,696	13,380
Income (loss) from operations	\$ (8,847)	\$ (4,523)	\$ (6,606)	\$ 1,297	\$ (5,441)	\$ (758)	\$ 6,978	\$ 3,032

LIQUIDITY AND CAPITAL RESOURCES

As of December 31, 2025 and December 31, 2024, the Company had \$8,910 and \$40,106 in cash and cash equivalents, respectively. The major components of the Company's statements of cash flows for the year ended December 31, 2025 and 2024 are as follows:

	Year ended		
	December 31, 2025	December 31, 2024	Variance
Cash provided by (used in) operating activities	\$ (589)	\$ 1,774	\$ (2,363)
Cash provided by (used in) investing activities	(2,797)	21,996	(24,793)
Cash provided by (used in) financing activities	(27,811)	6,677	(34,488)
Net change in cash and cash equivalents	\$ (31,197)	\$ 30,447	\$ (61,644)

Operating activities

Cash and cash equivalents used in operating activities for the year ended December 31, 2025, was \$589 compared to cash and cash equivalents generated by operating activities of \$1,774 for the year ended December 31, 2024. The decline in cash generated from operating activities is primarily attributable to the decrease in margins attributable to price pressures in the Florida market and additional production costs attributable to an additional cultivation site in the New York market.

Investing activities

Cash and cash equivalents used in investing activities for the year ended December 31, 2025 was \$2,797, compared to \$21,996 generated by investing activities for the year ended December 31, 2024. The increase in investing activities is the result of the build-out of the Buffalo Facility in New York and the buildout of the Rosa Facility in Florida as well as the bi-annual renewal fees associated with the Company's license to cultivate and distribute medical marijuana within the state of Texas. These expenditures were largely offset by the net proceeds received from the Pennsylvania Disposition.

Financing activities

Cash and cash equivalents used in financing activities for the year ended December 31, 2025 was \$27,811 compared to cash and cash equivalents provided by financing activities of \$6,677 for 2024. The increase of \$34,488 in cash used in financing activities was primarily driven by the mandatory prepayment of the term loan associated with the Pennsylvania Disposition. Additional increases in financing activities are attributable to increase of principal and interest payments for notes payable as well as lease obligation payments due to the acquisition of RIV Capital in December of 2024.

CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET ARRANGEMENTS

The Company leases certain business facilities from third parties under lease agreements that specify minimum rentals. The leases expire through 2035 and contain certain renewal provisions. Future minimum lease payments under non-cancelable leases having an initial or remaining term of more than one year are as follows:

For the twelve months ending December 31,	Scheduled Payments
2026	\$ 12,652
2027	12,453
2028	11,646
2029	11,268
2030	11,031
2031	10,814
2032	9,267
Thereafter	\$ 37,619
Total Future Minimum Lease Payments	\$ 116,750

SUMMARY OF OUTSTANDING SHARE DATA

As of December 31, 2025, the share capital of the Company is comprised of 613,261,139 common shares, 2,450,188 proportionate voting shares (each proportionate voting share is convertible into ten common shares), 15,000,000 warrants, 21,874,875 stock options, 210,000 restricted stock units, and 0 exchangeable shares.

Earnings (loss) per share is calculated using the weighted average number of shares outstanding during the year on a basic and fully diluted basis. As the Company was in a loss position from continuing operations for the years ended December 31, 2025 and 2024, respectively, earnings per share from continuing operations for those periods was calculated using the basic number of outstanding shares.

TRANSACTIONS WITH RELATED PARTIES

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling activities for the Company, directly and indirectly. The key management personnel of the Company are the members of the Company's executive management team and Board of Directors (the "**Board**"). For the three month and year end December 31, 2025 and 2024, key management personnel compensation consisted of the following:

	For the three months ended December 31		For the year ended December 31	
	2025	2024	2025	2024
Salary	\$ 633	\$ 1,274	\$ 2,687	\$ 3,402
Option-based compensation	47	(24)	92	7
Share-based compensation (including RSUs)	4	(34)	147	24
All other compensation (including cash-settled Board fees)	180	34	498	372
Total	\$ 864	\$ 1,250	\$ 3,424	\$ 3,805

Rosa Facility Lease

During the year ended December 31, 2025, the Company made lease payments of \$362 to Nittany Management, LLC ("**Nittany**"), which is owned by William Smith, a director and the Executive Chairman of the Company. The lease agreement dated January 8, 2024 (the "**Rosa Lease**") is for the Company's Rosa Facility located in Tampa, Florida, which is used for cultivation. The Rosa Lease is for a ten-year term, and the annual base rent paid by the Company is \$30, with 3% increases each year. The terms of the Rosa Lease were reviewed by disinterested directors of the Board and were found to be comparable to market terms.

On May 28, 2024, the Company made an amendment to the Rosa Lease, under which the Company is required to pay an additional \$1,360 to Nittany, subject to 13% simple interest. The payment serves as consideration for a waiver by Nittany of the Company's breach of the Rosa Lease by failing to obtain Nittany's consent before altering structural support systems, HVAC

systems and other parts of the building. The Company is required to make at least six installment payments per year in the amount of at least \$45 each with payments first applied to outstanding interest, then to principal.

Shares for Debt Conversions – Director Fees

On February 7, 2025, the Company issued an aggregate of 1,657,063 common shares at a price of \$0.07 per common share in settlement of \$116 in accrued fees payable to certain directors for the period of October 1, 2024 to December 31, 2024. The common shares were issued to the following current and former directors of the Company: Roger Daher, Mark Eckenrode, Richard Mavrinac, John Mazarakis, William Smith, and Dawn Sweeney.

On July 24, 2025, the Company issued an aggregate of 2,750,000 common shares at a price of \$0.05 per share in settlement of \$138 in accrued fees payable to certain directors for the period of April 1, 2025 to June 30, 2025. The common shares were issued to the following current directors of the Company: Roger Daher, Mark Eckenrode, William Smith, Richard Mavrinac, and Dawn Sweeney.

On July 1, 2025, the Board passed a resolution that all compensation payable to the directors of the Company would be settled in cash on a go forward basis.

The Smith Transaction

On November 26, 2024, in connection with the closing of a senior secured credit agreement (as may be amended, restated, replaced, the “**Credit Agreement**”) of up to \$96,500 with Chicago Atlantic Admin, LLC, as administrator for certain lenders, the Company and William Smith, a director and the Executive Chair of the Company, and certain companies controlled by Mr. Smith (the “**Smith Group**”), entered into an amended and restated termination agreement, which provided for, among other things, a \$500 cash fee and the issuance of a secured subordinated convertible note in an initial aggregate principal amount of \$6,500 due May 26, 2029 (the “**Smith Convertible Note**”), bearing interest of 15%, with all accrued but unpaid interest compounded quarterly, and without a Company right to prepay the Smith Convertible Note after year two. The Smith Convertible Note is subordinated in the right of payment to the Credit Agreement and the principal and accrued interest thereunder is convertible, at the discretion of the Smith Group, into common shares of the Company at a price of \$0.21 per share.

Legal Fees paid to Robert O. Beasley, P.A.

During the year ended December 31, 2025 and 2024, the Company engaged Robert O. Beasley, P.A., (the “**Law Firm**”) to represent the Company in various legal matters. The Company’s former CEO is a partner at the Law Firm. Services performed by the Law Firm included litigation, regulatory and general counsel services. Services were provided in accordance with normal commercial terms; the Company’s former CEO did not participate in the legal services rendered by the Law Firm. During the years ended December 31 2025 and 2024, the Company recognized legal expenses of \$307 and \$479, respectively, to the Law Firm. At December 31, 2025, the Company had a balance of \$16 due to the Law Firm (December 31, 2024 - \$nil).

Interim CEO Private Placement

On August 28, 2025, the Company completed a private placement, whereby the Company’s Interim CEO, David E Vautrin, purchased 3,500,000 common shares of the Company at a price of \$0.06 per share for aggregate gross proceeds of \$210.

KEY ACCOUNTING POLICIES

(a) Basis of preparation

The Consolidated Financial Statements of the Company have been prepared in accordance with IFRS as issued by the IASB and interpretations of the IFRS Interpretations Committee (“**IFRIC**”).

(b) Material uncertainty related to going concern

The Consolidated Financial Statements have been prepared assuming that the Company will continue as a going concern. The going concern basis of accounting contemplates the realization of assets and the settlement of liabilities in the normal course of business.

As at December 31, 2025, the Company had cash and cash equivalents of \$8,910 and working capital of \$3,872. For the year ended December 31, 2025, the Company incurred a net loss of (\$72,136) and experienced negative operating cash flows of (\$588).

These conditions indicate the existence of events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

Subsequent to December 31, 2025, the Company has been pursuing strategic initiatives intended to strengthen its liquidity position and support ongoing operations. These initiatives include, among others, obtaining additional financing and pursuing strategic transactions with third parties.

On March 18, 2026, the Company entered into an amendment to its existing Credit Agreement which permitted the Company to draw an additional \$6,000 on the date of the amendment in the form of a term loan (the "**Interim Financing**"). The Interim Financing bears a paid-in-kind interest rate of 13% per annum and is due to mature on December 31, 2026. In connection with the amendment to the Credit Agreement, the Company's lender reduced the quarterly liquidity covenant from \$4,500 to \$2,000.

While management believes these initiatives may provide a pathway to additional capital and improved liquidity, their success is subject to various conditions not wholly within the Company's control.

Accordingly, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The Consolidated Financial Statements do not include any adjustments that might result from the outcome of this uncertainty. Such adjustments could be material.

(c) Functional and presentation of currency

The Consolidated Financial Statements are presented in thousands of U.S. dollars unless otherwise stated. The functional currency of the Company's U.S. and Canadian subsidiaries is the U.S. dollar.

(d) Critical accounting judgments, estimates and assumptions

The preparation of the Company's Consolidation Financial Statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods.

Critical judgments, estimates and assumptions that have the most significant effect on the amounts recognized on the Consolidated Financial Statements have been set out in Note 4 of the Consolidated Financial Statements for the years ended December 31, 2025, and 2024.

Subsequent Events

On March 18, 2026, the Company entered into an amendment to its existing Credit Agreement which permitted the Company to draw an additional \$6,000 on the date of the amendment in the form of a term loan (the "**Interim Financing**"). The Interim Financing bears a paid-in-kind interest rate of 13% per annum and is due to mature on December 31, 2026. In connection with the amendment to the Credit Agreement, the Company's lender reduced the quarterly liquidity covenant from \$4,500 to \$2,000.

UNITED STATES REGULATORY ENVIRONMENT

Federal Regulatory Environment

In accordance with the Canadian Securities Administrators (“CSA”) Staff Notice 51-352 (Revised) – *Issuers with U.S. Marijuana-Related Activities* (“**Staff Notice 51-352**”) dated February 8, 2018, and Staff Notice 51-357 – *Staff Review of Reporting Issuers in the Cannabis Industry* dated October 10, 2018 below is a discussion of the current federal and state-level U.S. regulatory regimes in those jurisdictions where the Company is currently directly involved through its subsidiaries, in the cannabis industry. In accordance with Staff Notice 51-352, the Company will evaluate, monitor and reassess this disclosure, and any related risks, on an ongoing basis and the same will be supplemented, amended and communicated 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 marijuana regulation.

The U.S. Drug Enforcement Administration (“DEA”) currently classifies cannabis as a Schedule I controlled substance under the Controlled Substances Act (21 U.S.C. § 811). A Schedule I controlled substance is defined as a substance that has no currently accepted medical use in the United States, a lack of safety for use under medical supervision and a high potential for abuse. Schedule I controlled substances are federally illegal and the manufacturing, sale and use of cannabis is a violation of federal law.

Due to conflicting and changing views between state legislatures and the federal government regarding cannabis, cannabis businesses are subject to inconsistent laws and regulations. The Obama Administration attempted to address the inconsistent treatment of cannabis under state and federal law in the Cole Memorandum that Deputy Attorney General James Cole sent to all U.S. Attorneys in August 2013. The Cole Memorandum noted that, in jurisdictions that have enacted laws legalizing cannabis in some form and that have also implemented strong and effective regulatory and enforcement systems to control the cultivation, processing, distribution, sale and possession of cannabis, conduct in compliance with such laws and regulations was not a prosecution or enforcement priority for the Department of Justice (“DOJ”).

On January 4, 2018, former U.S. Attorney General Jeff Sessions formally rescinded the Cole Memorandum. The rescission of the Cole Memorandum and other Obama-era prosecutorial guidance did not create a change in federal law as the Cole Memorandum was never legally binding; however, the revocation removed the DOJ’s guidance to U.S. Attorneys that state-regulated cannabis industries substantively in compliance with the Cole Memorandum’s guidelines should not be a prosecutorial priority. The federal government of the United States has always reserved the right to enforce federal law regarding the sale and disbursement of medical or recreational marijuana, even if state law sanctioned such sale and disbursement. Although this rescission does not necessarily indicate that marijuana industry prosecutions are now affirmatively a priority for the DOJ, there can be no assurance that it will not enforce such laws in the future.

In October 2022, President Biden announced that cannabis scheduling under federal law would be reviewed, noting that cannabis is scheduled as more dangerous than fentanyl and methamphetamine, two substances that are driving an overdose epidemic in the country. In December 2022, President Biden signed the Medical Marijuana and Cannabidiol Research Expansion Act into law, which provides for significantly broader opportunities to study cannabis.

On August 29, 2023, and in response to President Biden’s directive to review cannabis’s scheduling, the Department of Health and Human Services (“HHS”) formally presented its recommendation to the DEA that cannabis be rescheduled to Schedule III from Schedule I. Section 280E of the Internal Revenue Code does not apply to those trafficking in Schedule III controlled substances, which would most likely reduce the tax burden of most U.S. cannabis companies. The DEA, which has final jurisdiction over scheduling decisions, started the review process for rescheduling.

On May 16, 2024, then-U.S. Attorney General Merrick Garland submitted to the Federal Register a notice of proposed rulemaking to consider moving marijuana from a Schedule I to a Schedule III drug under the Controlled Substances Act. The notice initiated a 60-day comment period for members of the public to submit comments regarding the rule where more than 43,000 comments were received. After reviewing the public comments, the DEA determined that a hearing was necessary and selected Administrative Law Judge John J. Mulrooney to oversee it. Expert testimony was expected to begin in early 2025. However, that hearing was postponed on January 15, 2025. On December 18, 2025, President Trump signed an executive order, which directs the Attorney General to expedite the movement of marijuana from Schedule I to Schedule III under the Controlled Substances Act. The executive order does not legalize marijuana for recreational use, and it remains a federally controlled substance. The order is not self-executing and requires a formal administrative rulemaking process.

On April 23, 2026, the U.S. Department of Justice issued a Final Order implementing the rescheduling of medical cannabis, and the Department of the Treasury and IRS announced they will issue guidance on the federal tax impact of the Department of Justice's Final Order. Under this order, certain licensed or FDA-related medical marijuana products move from Schedule I to Schedule III under the Controlled Substances Act, while unlicensed and non-approved cannabis remain Schedule I. This would be applicable to cannabis sold in adult-use markets in the U.S.

This shift is expected to provide meaningful tax relief for state-licensed medical cannabis businesses by limiting the application of IRS Code Section 280E, allowing deductions and credits for qualifying activities starting in 2026. However, adult-use and recreational cannabis was excluded from the rescheduling and thus remains subject to Schedule I treatment for the time being.

As an industry best practice, and in light of the federal approach to regulating cannabis, the Company abides by the following to ensure compliance with the guidance provided by the Cole Memorandum:

- ensure that its operations are compliant with all licensing requirements as established by the applicable state, county, municipality, town, township, borough, and other political/administrative divisions;
- ensure that its cannabis related activities adhere to the scope of the licenses obtained (for example: in the states where cannabis is permitted for recreational adult use, the products are only sold to individuals who meet the requisite age requirements);
- implement policies and procedures to ensure that cannabis products are not distributed to minors;
- implement policies and procedures to ensure that revenue is not distributed to criminal enterprises, gangs or cartels;
- implement adequate inventory tracking systems and necessary procedures to ensure that such compliance system is effective in tracking inventory and preventing diversion of cannabis or cannabis products into those states where cannabis is not permitted by state law, or cross any state lines in general;
- ensure that its state-authorized cannabis business activity is not used as a cover or pretense for trafficking of other illegal drugs, and is not engaged in any other illegal activity or any activities that are contrary to any applicable anti-money laundering statutes; and
- ensure that its products comply with applicable regulations and contain necessary disclaimers about the contents of the products to prevent adverse public health consequences from cannabis use and to prevent impaired driving.

In addition, the Company conducts background checks to ensure that certain individuals working at its operating subsidiaries are of good character, and have not been involved with other illegal drugs, engaged in illegal activity or activities involving violence, or use of firearms in cultivation, manufacturing or distribution of cannabis. The Company also conducts ongoing reviews of its cannabis business activities, the premises on which they operate and the policies and procedures that are related to possession of cannabis or cannabis products outside of the licensed premises.

As of the date of this MD&A, 99% of the Company's assets are exposed to U.S. marijuana related activities. By these measures 99% of the Company's assets and operations were related to U.S. marijuana related activities.

There have been efforts at reforming U.S. federal cannabis law. As of the date of this MD&A, there were several proposed congressional bills addressing a spectrum of issues regarding the cannabis industry, from banking and tax reform to full legalization. However, none have passed into law.

There does exist a legislative safeguard for the medical cannabis industry, appended to the federal budget bill. Every year since 2015, Congress has adopted a so-called "rider" provision to the Consolidated Appropriations Acts (formerly referred to as the Rohrabacher-Farr Amendment and currently referred to as the Rohrabacher-Blumenauer Amendment) to prevent the federal government from using congressionally appropriated funds to enforce federal law against regulated medical cannabis actors operating in compliance with state and local law. Since fiscal year 2015, Congress has renewed the Rohrabacher-Farr Amendment, and as of the issuance of this MD&A, remains in effect. However, there is no guarantee that the Rohrabacher-Farr Amendment will be renewed by Congress in subsequent fiscal years, and the Rohrabacher-Farr Amendment does not legalize the use of cannabis on the U.S. federal level.

The large and ever-growing size of the cannabis industry, in addition to participation by state and local governments and investors, suggests that a large-scale federal enforcement operation would more than likely create unwanted political backlash for the Department of Justice and the current administration. Regardless, cannabis remains illegal at the federal level. The U.S. federal government has always reserved the right to enforce federal law over the sale and disbursement of medical or adult-use cannabis, even if state law authorizes such sale and disbursement. There is no guarantee that state laws legalizing and regulating the sale and use of cannabis will remain in place or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. Unless cannabis is removed from Schedule I of the Controlled Substances Act, there is a risk that federal authorities may enforce current U.S. federal law criminalizing cannabis.

The Company will continue to monitor compliance on an ongoing basis in accordance with our compliance program and standard operating procedures. While the Company's operations comply with all applicable state laws, regulations and licensing requirements, such activities remain illegal under federal law. For the reasons described above and the risks further described in the section entitled "Risk Factors," there are significant risks associated with our business. Readers of this MD&A are strongly encouraged to carefully read all the risk factors described under the heading "Risks Specifically Related to the United States Regulatory System," below.

U.S. Legal Advice

The Company and its subsidiaries are in compliance with U.S. state laws and the related licensing frameworks. The Company and its subsidiaries use reasonable commercial efforts to confirm, through the advice of U.S. counsel in each state in which the Company operates, the monitoring and review of its business practices, and regular monitoring of changes to U.S. federal enforcement priorities, that its businesses are in compliance with applicable licensing requirements and regulatory frameworks. Other than as disclosed herein, the Company's U.S. based subsidiaries have not received non-compliance orders, citations or notices of violation that may have an impact on such entity's licenses, business activities and/or operations. The Company's U.S. based subsidiaries have obtained legal advice regarding (a) compliance with applicable state regulatory frameworks and (b) potential exposure and implications arising from U.S. federal law.

Compliance Program

The Company's Compliance Department oversees, maintains, and implements the compliance program and personnel in conjunction with the Chief Legal Officer. The Chief Legal Officer serve as liaisons to the various state and local regulators. It is the responsibility of the Chief Legal Officer to work with all operational department heads to ensure operations and employees strictly comply with applicable laws, regulations and licensing requirements to ensure that the operations do not endanger the health, safety, or welfare of the communities that the Company operates in. The Chief Legal Officer works closely with the operations and security directors to ensure that operations and all employees are following and complying with the Company's written standard operating procedures.

The Company has developed policies and standard operating procedures that establish minimum standards and requirements for operations in each market, encompassing operational aspects such as cultivation, manufacturing, packaging of product, the handling of confidential or personal information and method by which an employee may dispense cannabis to an authorized individual. Upon the Company's entry into a new market, the Chief Legal Officer work with each department director to adapt these policies and standard operating procedures into a unique set of operating procedures for each respective market, tailored to each market's regulatory requirements.

Working with the operations, human resources, and security departments, the Chief Legal Officer and the compliance team reviews and monitors training for all employees, including on the following topics:

- compliance with applicable state and local laws
- safe cannabis use
- dispensing procedures
- cultivation and processing procedures
- security and safety policies and procedures

- inventory control
- point of sale and seed to sale tracking software
- quality control
- transportation procedures

The Company's compliance protocols emphasize quality assurance, as evidenced by its efforts to obtain Good Manufacturing Practices (or similar) certification in its facilities, security and inventory controls, as well as patient safety. These efforts ensure strict monitoring of cannabis and inventory in all phases of the process. Only authorized and properly trained employees are permitted to access any seed-to-sale system or dispense cannabis to an authorized individual.

The Company is in compliance with U.S. state law and the related licensing framework in each state in which it has active marijuana operations. The Company uses reasonable commercial efforts to ensure that its business is in compliance with applicable licensing requirements and the regulatory frameworks enacted by these states, through the duties of the Chief Legal Officer, who monitors and reviews the Company's business practices and changes to U.S. federal enforcement priorities.

The Chief Legal Officer monitors compliance notifications from various state regulators and ensures timely response and corrective action if necessary. No notifications have been received other than as set out below. The Company maintains comprehensive recordkeeping and retention procedures for any action involving the products it cultivates, processes, and/or dispenses. In addition, the Company maintains accurate records of all activities it is licensed to conduct in each market and does so in compliance with applicable laws and regulations. Adherence to the Company's compliance protocols in each market is mandatory and ensures that all operations remain compliant with the regulation(s) set forth by the applicable regulatory bodies, as well as all requirements of licensure.

Each facility is monitored and supervised under a uniform set of policies and procedures that also requires daily, weekly, monthly and quarterly reporting on applicable activities that occur at each facility. These reports, completed by or under the supervision of the applicable facility manager include germination, cloning, plant destruction, harvest details, extraction rates, product formulation details, logistics, transportation, delivery, sales and customer complaints. Each facility also utilizes a password protected, role-based, seed-to-sale inventory tracking and reporting software system. The Chief Legal Officer has full administrative access to the seed-to-sale tracking and reporting software. The seed-to-sale software program gives the Chief Legal Officer real time access to the source data, which reports all daily activities of each subsidiary to conduct independent analysis and verification of the standard reports submitted by each subsidiary.

In addition to the standard reports submitted by each facility and the seed-to-sale software program access, the Chief Legal Officer and staff perform scheduled and unscheduled site visits and audits of each facility. The scheduled and unscheduled site visits and audits are performed at least quarterly and are used to verify source data on all reported subsidiary activities, debrief and interview key employees, and conduct an overall review of the operating conditions of all Company facilities.

State Regulatory Environment

Florida

Regulatory Framework

Florida regulates medical marijuana as set forth in the Florida Constitution, Florida Statutes, implementing regulations of the Florida Administrative Code, and other applicable laws. The OMMU is responsible for oversight and implementation of medical marijuana laws in Florida.

Florida Statutes

Section 381.986, Florida Statutes, governs the cultivation, processing, dispensing, and ordering of marijuana for medical use in Florida by qualified Florida-licensed physicians for medical use by qualified patients. Under this law, "medical use" means "acquisition, possession, use, delivery, transfer, or administration of marijuana authorized by a physician certification." Legally permitted routes of administration include oil-based products, edibles, and smoking.

Only Florida-licensed physicians who undergo the required training can recommend marijuana for medical use in Florida. Qualified patients must be permanent Florida residents and must be diagnosed with one of the qualifying medical conditions set forth in Section 381.986(2), Florida Statutes.

Chapter 64-4, Florida Administrative Code

As required by Florida Statutes, OMMU implements regulations governing the use of medical marijuana in the state, including the licensing of businesses to cultivate, process, and dispense medical marijuana to qualified patients. These regulations are found in Chapter 64-4, Florida Administrative Code and a series of emergency rules found in the Florida Administrative Register.

U.S. Attorney Statements

To the knowledge of management of the Company, there have not been any statements or guidance made by federal authorities or prosecutors regarding the risk of enforcement action in Florida.

Licensing and Compliance in Florida

In Florida, OMMU administers and maintains the state’s medical marijuana program pursuant to the Florida Constitution and Florida Statutes. Florida law currently requires each Medical Marijuana Treatment Center (“**MMTC**”) to be vertically integrated, which means the MMTC must control all aspects of the operations from “seed to sale”, i.e., cultivation, processing, distribution, sale, and delivery. Additionally, as a condition to becoming operational, each MMTC is statutorily required to comply with all disclosures made to obtain the license.

MMTCs must maintain adequate security and surveillance at all of their sites, comply with all applicable laws relating to the MMTC License, and are subject to regular unannounced audits by OMMU. All inventory movements must be logged in a seed-to-sale tracking system (“**STS System**”) that is integrated with an STS System operated and monitored by OMMU. Processing, or manufacturing, activities must occur in a facility that has been audited for compliance with Good Manufacturing Practices by a third-party auditor.

Licenses

The Company, through its direct and indirect wholly owned subsidiaries, is licensed to cultivate, process and sell medical cannabis and to own and operate individual dispensary locations as well as deliver product directly to customer’s homes throughout the State of Florida. There is no limit on the number of facilities that can be operated under a single MMTC license.

In the State of Florida, the OMMU issues licenses to produce and sell medical cannabis i.e. the MMTC License (formerly a Dispensing Organization License).

The MMTC License held by the Company’s Florida subsidiary was renewed for a two-year term effective August 20, 2024. The Company follows all regulatory requirements regarding the reporting of inventory movement and sales, as well as all other data reporting and record retention requirements in Pennsylvania.

Dispensary Requirements

MMTCs may dispense up to a 70-day supply of medical marijuana in non-smokable forms or up to a 35-day supply in smokable forms at any time. At all times, the MMTC employee must ensure the privacy of information in regard to the patient records as required by Florida legislation and applicable privacy laws. All dispensations must be logged in the MMTC’s STS system.

Transportation Requirements

When transporting cannabis to dispensaries or to patients for delivery, a manifest must be prepared, and transportation must be done using an approved vehicle. The cannabis must be stored in a separate, locked area of the vehicle and always there must be two people in a delivery vehicle. The manifest for all deliveries must be generated in the MMTC’s STS system.

OMMU Inspections

The OMMU conducts announced and unannounced inspections of MMTC's to determine compliance with the laws and regulations. The OMMU also must inspect an MMTC upon receiving a complaint or notice that the MMTC has dispensed cannabis containing mold, bacteria, or other contaminants that may cause an adverse effect to humans or the environment. The OMMU conducts at least a biennial inspection of each MMTC to evaluate the MMTC's records, personnel, equipment, security, sanitation practices, and quality assurance practices.

New York

Regulatory Framework

In July 2014, the New York Legislature and Governor enacted the Compassionate Care Act to provide a comprehensive, safe and effective medical cannabis program. The Compassionate Care Act provides access to the program for those who suffer from qualifying conditions and have a physician's recommendation. In 2021, the MRTA was signed into law. The MRTA legalized adult-use cannabis and established the New York Office of Cannabis Management, which continues to promulgate rules and regulations.

The Office of Cannabis Management ("**OCM**") is the regulatory agency that oversees the adult-use and medical cannabis program in New York. There is currently one principal medical license category in New York: Registered Organization (a vertically integrated license). The Company's New York subsidiary holds a Registered Organization Adult-use Cultivator Processor Distributor Retail Dispensary ("**ROD**") license.

Under its ROD license, the Company operates two cultivation and manufacturing facilities, as well as three co-located medical and adult-use cannabis dispensaries. Under the MRTA the Company may open an additional five medical dispensaries.

All operating facilities are, as of the date hereof, active with the State of New York.

The Company follows all regulatory requirements regarding the reporting of inventory movement and sale, as well as all other data reporting and record retention requirements mandated by New York.

Pennsylvania

Regulatory Framework

Pennsylvania legalized medical marijuana when it adopted the Pennsylvania Medical Marijuana Act in 2016. It is found in Chapters 1131 through 1210 of the Pennsylvania Code. Most of the regulation of Pennsylvania's medical marijuana program to date has occurred under this law and through temporary regulations, all of which are summarized below under the heading "Pennsylvania Medical Marijuana Act."

Pennsylvania Medical Marijuana Act

Under the Pennsylvania Medical Marijuana Act, the term "medical marijuana" refers to marijuana obtained for a certified medical use by a Pennsylvania resident with a serious medical condition. A serious medical condition includes 17 different conditions including cancer, HIV-positive status, AIDS, several neurological conditions and issues, and severe intractable pain.

The Pennsylvania Medical Marijuana Act provides for issuance of permits to grower/processors, dispensaries, and clinical registrants.

A dispensary may only dispense medical marijuana to a patient or caregiver in an indoor, enclosed, secure facility as approved by the Pennsylvania Department of Health. The dispensary must have an approved operation plan that includes appropriate safety, security, surveillance, inventory tracking, record keeping, and maintenance measures. It may only dispense medical marijuana to a patient or caregiver who presents a valid identification card to an employee at the facility who is authorized to dispense medical marijuana at the facility. The entire transaction must be tracked in the commonwealth's seed-to-sale electronic tracking system.

Licensing and Compliance in Pennsylvania

In Pennsylvania, the Department of Health administers and maintains the state's medical marijuana program pursuant to Pennsylvania laws and regulations. As a dispensary permit holder, Pennsylvania law requires the use of state-mandated point of sale and product tracking software to log and record all inventory and sales activities, as well as all patient interactions. All marijuana must be stored with adequate security requirements to prevent diversion. Each facility must also have security measures to prevent unauthorized access and video surveillance; as well as the ability to maintain records of all activities. Only qualified patients or registered caregivers can be dispensed cannabis pursuant to a qualified physician's active recommendation; all of which must be confirmed prior to dispensation. Each dispensary must also employ a licensed pharmacist, doctor or registered nurse practitioner. Additionally, all employees must pass state mandated criminal history background screenings.

Permits

Cansortium Pennsylvania, LLC received its original dispensary permit on September 29, 2017 and was valid for one year. The permit was subsequently renewed each year following that date, and the permit is valid through June 29, 2026. The permit allows the holder to operate up to three dispensaries in the Southcentral Region of Pennsylvania (i.e. Adams, Bedford, Blair, Cumberland, Dauphin, Franklin, Fulton, Huntingdon, Juniata, Lebanon, Mifflin, Perry and York counties). The Company no longer operates in Pennsylvania following the Pennsylvania Disposition.

Pennsylvania Department of Health Inspections

The Pennsylvania Department of Health may conduct announced or unannounced inspections or investigations to determine the medical marijuana organization's compliance with its permit. An investigation or inspection may include an inspection of a medical marijuana organization's site, facility, vehicles, books, records, papers, documents, data, and other physical or electronic information.

Texas

Regulatory Framework

Texas initially limited the scope of authorization of cannabis for medical purposes to the cultivation, processing, and dispensing of low-THC (as defined below) cannabis prescribed to epilepsy patients.

In May 2019, the Texas legislature passed a bill that significantly expanded the Texas Compassionate Use Act. It was subsequently signed into law by the Governor. The May 2019 law increased legal access to medical cannabis products containing up to 0.5 percent tetrahydrocannabinol ("**THC**") for patients coping with a broader list of chronic medical conditions and diseases including epilepsy, a seizure disorder, multiple sclerosis, spasticity, amyotrophic lateral sclerosis, autism and terminal cancer.

Compassionate Use Act

The Texas Legislature enacted the Texas Compassionate Use Act, found in Chapter 169 of the Texas Occupations Code and Chapter 487 of the Texas Health and Safety Code, in 2015. The Texas Compassionate Use Act directs the Texas Department of Public Safety ("**DPS**") to create a secure registry of Texas-licensed physicians who are authorized to treat qualifying conditions by prescribing low-THC cannabis to qualified, registered patients who have been diagnosed with epilepsy, a seizure disorder, multiple sclerosis, spasticity, amyotrophic lateral sclerosis (ALS), autism, terminal cancer, or an incurable neurodegenerative disease. In addition, the bill required DPS to license at least three dispensing organizations by September 1, 2017, should they meet the requirements. The license authorizes the organizations to cultivate, process and dispense low-THC cannabis to prescribed patients.

The act defines low-THC cannabis as:

the plant *Cannabis Sativa L.*, and any part of that plant or any compound, manufacture, salt, derivative, mixture, preparation, resin, or oil of that plant that contains:

- (A) not more than 0.5 percent by weight of tetrahydrocannabinols; and
- (B) not less than 10 percent by weight of cannabidiol.

Under the act, medical use of low-THC cannabis means “ingestion by a means of administration other than by smoking of a prescribed amount of low-THC cannabis by a person for whom low-THC cannabis is prescribed.”

Administrative Rules

DPS adopted the rules implementing the Texas Compassionate Use Act in 2017. These rules, the Compassionate Use/Low-THC Cannabis Program Administrative Rules, are found in 37 Texas Administrative Code 1, Chapter 12. They specify licensing requirements and standards that licensees must satisfy for a variety of subjects, including building design and construction, records, testing, production (including limitations on the use of pesticides and other products that could harm patient health), packaging, labeling, restrictions on eligible persons who can receive low-THC cannabis, criminal history disqualifiers for licensees and their employees, sanitation, and waste disposal.

Each dispensing organization may operate a single dispensary, which must be co-located with its cultivation and processing facilities. All other dispensing may only occur via delivery, which may include same-day pickup at an arranged location such as a doctor’s office.

Production is limited under the rules; DPS will only issue sufficient licenses to provide the patient population of Texas with the most current scientifically accepted dosage. The amount of production permitted is recalculated every year as provided in the rules. As of December 31, 2024, DPS has issued three dispensing organization licenses.

The Company complies with all applicable requirements regarding the reporting of inventory movement and sale, as well as other data reporting and retention requirements mandated by DPS.

U.S. Attorney Statements

To the knowledge of management of the Company, there have not been any statements or guidance made by U.S. federal authorities or prosecutors regarding the risk of enforcement action in Texas.

Licensing and Compliance in Texas

In Texas the DPS administers the state’s compassionate use program. State law currently requires each license holder to be vertically integrated, which requires the license holder to control all aspects of the operations from “seed to sale”. State law requires strict limits on THC content which subsequently requires regular testing and maintenance of records.

On May 22, 2025 the Texas Legislature passed Senate Bill 3, which effectively bans most THC-containing products in the state other than low-THC cannabis available through the state’s compassionate use program. Assuming Governor Greg Abbott does not veto the bill, it will become law effective September 1, 2025.

In June 2025, Texas became the 40th U.S. state to legalize broader medical cannabis under new legislations (HB46) expanding the Texas Compassionate Use Program (TCUP)

In July 2025, the Senate State Affairs Committee, introduced a new bill (Senate Bill 5) essentially replicating SB’3 ban on THC containing hemp consumable and that passed the Senate committee unanimously 10-0.

Licenses

The Company’s subsidiary in Texas obtained a Dispensing Organization License from the Department of Public Safety on September 1, 2017. This license allows the Company’s subsidiary in Texas to cultivate and produce cannabis as well as operate a dispensary at the cultivation site. The license also allows for home delivery of the product. The current license was renewed in October 2025 and expires on October 1, 2027. As of the date of this MD&A, the Company’s subsidiary in Texas holds one (1) of the three licenses issued by the Department of Public Safety in Texas.

Department Inspections

DPS performs regular inspections of the facility. All requested records are given onsite or electronically as requested.

On January 17, 2019, the Company's subsidiary in Texas received a notice of violation from the Texas Department of Public Safety Regulatory Services Division for failure to adequately respond to the Department's requests for records on inventory and testing at its cultivation facility, in violation of Texas law. On February 1, 2019, the Department issued a violation remediation letter confirming that the matter had been resolved to its satisfaction and that no further action would be taken.

General Statement Regarding State License Renewal Requirements

Each U.S. state imposes strict license renewal requirements that vary based on unique state laws. The Company generally must complete the renewal application process within a prescribed period of time prior to the expiration date and pay an application fee. The state licensing body can deny or revoke licenses and renewals for a variety of reasons, including (a) submission of materially inaccurate, incomplete or fraudulent information, (b) failure of the Company or any of its directors or officers to comply, or have a history of non-compliance, with any applicable law or regulation, including laws relating to minimum age of customers, safety and non-diversion of cannabis or cannabis products, taxes, child support, workers compensation and insurance coverage, or failure to otherwise remain in good standing, (c) failure to submit or implement a plan of correction for any identified violation, (d) attempting to assign registration to another entity without state approval, (e) insufficient financial resources, (f) committing, permitting, aiding or abetting of any illegal practices in the operation of a facility, (g) failure to cooperate or give information to relevant law enforcement related to any matter arising out of conduct at a licensed facility and (h) lack of responsible operations, as evidenced by negligence, disorderly or unsanitary facilities or permitting a person to use a registration card belonging to another person. Certain jurisdictions also require licensees to attend a public hearing or forum in connection with their license renewal application.

Risks Specifically Related to the United States Regulatory System

The Company operates in a new industry which is highly regulated, highly competitive and evolving rapidly. As such, new risks may emerge, and management may not be able to predict all such risks or be able to predict how such risks may result in actual results differing from the results contained in any forward-looking statements.

The Company's business incurs ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company and, therefore, on the Company's prospective returns. Further, the Company may be subject to a variety of claims and lawsuits. Adverse outcomes in some or all of these claims may result in significant monetary damages or injunctive relief that could adversely affect our ability to conduct our business. The litigation and other claims are subject to inherent uncertainties and management's view of these matters may change in the future. A material adverse impact on our financial statements also could occur for the period in which the effect of an unfavorable final outcome becomes probable and reasonably estimable.

The industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond the control of the Company and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce the Company's earnings and could make future capital investments or the Company's operations uneconomic. The industry is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants, and which cannot be reliably predicted.

The Company's subsidiaries are expected to continue to derive revenues from the cannabis industry in certain states of the United States, which industry is illegal under United States federal law. While the Company's and its applicable subsidiaries' business activities are compliant with applicable state and local law, such activities remain illegal under United States federal law. The

Company is involved in the cannabis industry in the United States where local and state laws permit such activities or provide limited defenses to criminal prosecutions. Currently, the Company and its subsidiaries are directly engaged in the manufacture and possession of cannabis in the medical cannabis marketplace in the United States.

42 states and the district of Columbia in the United States have enacted comprehensive legislation to regulate the sale and use of medical cannabis in some form. Notwithstanding the permissive regulatory environment of medical cannabis at the state level, cannabis continues to be categorized as a Schedule 1 controlled substance under the Controlled Substances Act. As such, cannabis-related practices, or activities, including without limitation, the cultivation, manufacture, importation, possession, use or distribution of cannabis, are illegal under United States federal law. Strict compliance with state laws with respect to cannabis will neither absolve the Company of liability under United States federal law, nor will it provide a defense to any federal proceeding which may be brought against the Company. Any such proceedings brought against the Company may adversely affect the Company's operations and financial performance.

Because of the conflicting views between state legislatures and the federal government of the United States regarding cannabis, investments in cannabis businesses in the United States are subject to inconsistent legislation, regulation, and enforcement. Unless and until the United States Congress amends the United States Controlled Substances Act with respect to cannabis or the Drug Enforcement Agency reschedules or de-schedules cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that U.S. federal authorities may enforce current U.S. federal law, which would adversely affect the current and future operations and investments of the Company in the United States. As a result of the tension between state and U.S. federal law, there are a number of risks associated with the Company's existing and future operations and investments in the United States.

For the reasons set forth above, the Company's existing interests in the United States cannabis market may become the subject of heightened scrutiny by regulators, stock exchanges, clearing agencies and other authorities in the United States and Canada.

On February 8, 2018, following discussions with the CSA and recognized Canadian securities exchanges, the TMX Group announced the signing of a Memorandum of Understanding ("**TMX MOU**") with Cboe Canada Inc. (formerly Aequis NEO Exchange Inc.), the Canadian Securities Exchange, the Toronto Stock Exchange, and the TSX Venture Exchange. The TMX MOU outlines the parties' understanding of Canada's regulatory framework applicable to the rules, procedures, and regulatory oversight of the exchanges and the Canadian Depository for Securities ("**CDS**") as it relates to issuers with cannabis-related activities in the United States. The TMX MOU confirms, with respect to the clearing of listed securities, that CDS relies on the exchanges to review the conduct of listed issuers. As a result, there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the United States. However, there can be no guarantee that this approach to regulation will continue in the future. If such a ban were to be implemented, it would have a material adverse effect on the ability of holders of common shares of the Company to make and settle trades. In particular, the common shares of the Company would become highly illiquid as until an alternative was implemented, investors would have no ability to affect a trade of the common shares through the facilities of a stock exchange.

The operations of the Company and its subsidiaries are, and will continue to be, subject to evolving regulation by governmental authorities. The Company's and its subsidiaries' operations are directly in the medical cannabis industry in the United States, where local state law permits such activities. The legality of the production, extraction, distribution and use of cannabis differs among North American jurisdictions.

The Company's and its subsidiaries' operations have been focused in states that have legalized the medical use of cannabis. Over two thirds of the U.S. states have enacted legislation to legalize and regulate the sale and use of medical cannabis. Some U.S. states have legalized recreational use of cannabis. However, the U.S. federal government has not enacted similar legislation for medical or recreational cannabis. As such, the cultivation, manufacture, distribution, sale and use of cannabis remains illegal under U.S. federal law.

Additionally, there can be no assurance that state laws legalizing and regulating 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. It is also important to note that local and city ordinances may strictly limit and/or restrict the distribution of cannabis in a manner that could make it extremely difficult or impossible to transact business in the cannabis industry. If the 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 state laws are repealed or curtailed, the Company's businesses would be materially and adversely affected.

Federal actions against any individual or entity engaged in the marijuana industry or a substantial repeal of marijuana related legislation could adversely affect the Company, its business, and its investments.

In light of the political and regulatory uncertainty surrounding the treatment of U.S. cannabis-related activities, including the rescission of the Cole Memorandum discussed above, on February 8, 2018 the CSA published Staff Notice 51-352 setting out the CSA's disclosure expectations for specific risks facing issuers with cannabis-related activities in the United States. Staff Notice 51-352 confirms that a disclosure-based approach remains appropriate for issuers with U.S. cannabis-related activities. Staff Notice 51-352 includes additional disclosure expectations that apply to all issuers with U.S. cannabis-related activities, including those with direct and indirect involvement in the cultivation and distribution of cannabis, as well as issuers that provide goods and services to third parties involved in the U.S. cannabis industry. The Company views this staff notice favourably, as it provides increased transparency and greater certainty regarding the views of its exchange and its regulator of existing operations and strategic business plan as well as the Company's ability to pursue further investment and opportunities in the United States.

The Company's and its subsidiaries' current or future operations in the medical and recreational cannabis industry are likely illegal under the applicable federal laws of the United States. There can be no assurances the federal government of the United States or other jurisdictions will not seek to enforce the applicable laws against the Company or its subsidiaries. The consequences of such enforcement would be materially averse to the Company and the Company's business and could result in the forfeiture or seizure of all or substantially all of the Company's assets.

The concepts of "medical cannabis" and "retail cannabis" do not exist under United States federal law because the U.S. Controlled Substances Act classifies "marijuana" as a Schedule I drug. Under United States federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of accepted safety for the use of the drug under medical supervision. As such, cannabis-related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of cannabis remain illegal under United States federal law. Although the Company's and its subsidiaries' activities are compliant with applicable United States state and local law, strict compliance with state and local laws with respect to cannabis may neither absolve the Company and its subsidiaries of liability under United States federal law, nor may it provide a defense to any federal proceeding which may be brought against the Company or any subsidiary. Any such proceedings brought against the Company may adversely affect the Company's and its subsidiaries' operations and financial performance.

Violations of any United States federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the United States 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 on the Company and its subsidiaries, including their reputations and ability to conduct business, their holding (directly or indirectly) of medical cannabis licenses in the United States, the listing of their securities on various stock exchanges, their financial position, operating results, profitability or liquidity or the market price of any publicly traded shares. In addition, it is difficult for the Company 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.

Many factors could cause the Company's actual results, performances, and achievements to differ materially from those expressed or implied by the forward-looking statements, including without limitation, the following factors:

- the activities of the Company and its subsidiaries are subject to evolving regulation that is subject to changes by governmental authorities in Canada, the U.S. and internationally and such authorities could impose restrictions on the Company's and its subsidiaries' ability to operate;
- third parties with which the Company does business, including banks and other financial intermediaries, may perceive that they are exposed to legal and reputational risk because of the Company's and its subsidiaries' cannabis business activities;
- the Company's ability to repatriate returns generated from operations and investments in the U.S. may be limited by anti-money laundering laws;

- under Section 280E of the Internal Revenue Code, certain normal business expenses incurred in the business of selling marijuana and its derivatives are not deductible in calculating income tax liability. Therefore, certain of the subsidiaries will be precluded from claiming certain deductions otherwise available to non-marijuana businesses. As a result, an otherwise profitable, business may in fact operate at a loss after taking into account its income tax expenses. There is no certainty that the Company and the subsidiaries will not be subject to Section 280E of the Internal Revenue Code in the future, and accordingly, there is no certainty that the impact that Section 280E of the Internal Revenue Code has on the Company's margins will ever be reduced;
- federal prohibitions result in marijuana businesses being potentially restricted from accessing the U.S. federal banking system, and the Company and its subsidiaries may have difficulty depositing funds in federally insured and licensed banking institutions. This may lead to further related issues, such as the potential that a bank will freeze the Company's or any subsidiary's accounts and risks associated with uninsured deposit accounts. There is no certainty that Company or any subsidiaries will be able to maintain its existing accounts or obtain new accounts in the future; and
- although the TMX MOU confirms that there is currently no CDS ban on the clearing of securities of issuers with cannabis-related activities in the United States, there can be no guarantee that this approach to regulation will continue in the future.

The Company and its subsidiaries are subject to a variety of laws and regulations domestically and in the United States that involve money laundering, financial recordkeeping and proceeds of crime, including the U.S. Currency and Foreign Transactions Reporting Act of 1970 (commonly known as the Bank Secrecy Act), as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended and the rules and regulations thereunder, and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States, Canada and internationally. Further, under U.S. federal law, banks or other financial institutions that provide a cannabis business with a chequing account, debit or credit card, small business loan, or any other service could be found guilty of money laundering, aiding and abetting, or conspiracy.

Despite these laws, FinCEN issued a memorandum on February 14, 2014 outlining the pathways for financial institutions to bank marijuana businesses in compliance with federal enforcement priorities (the "**FinCEN Memorandum**"). The FinCEN Memorandum states that in some circumstances, it is permissible for banks to provide services to cannabis-related businesses without risking prosecution for violation of federal money laundering laws. It refers to and incorporates supplementary Cole Memorandum guidance issued to federal prosecutors relating to the prosecution of money laundering offenses predicated on cannabis-related violations of the United States Controlled Substances Act on the same day.

Notwithstanding former Attorney General Sessions' revocation of the Cole Memorandum, the status of the FinCEN Memorandum has not been affected, nor has the Department of the Treasury given any indication that it intends to rescind the FinCEN Memorandum itself. Though it was originally intended for the Cole Memorandum and the FinCEN Memorandum to work in tandem, the FinCEN Memorandum appears to remain in effect as a standalone document which explicitly lists the eight enforcement priorities originally cited in the rescinded Cole Memorandum. Although the FinCEN Memorandum remains intact, indicating that the Department of the Treasury and FinCEN intend to continue abiding by its guidance, it is unclear whether the current administration will continue to follow the guidelines of the FinCEN Memorandum.

The Company and its subsidiaries' operations, and any proceeds thereof, are considered proceeds of crime due to the fact that cannabis remains illegal federally in the United States. This restricts the ability of the Company and its subsidiaries to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada. Furthermore, while the Company has no current intention to declare or pay dividends on its shares in the foreseeable future, the Company may decide or be required to suspend declaring or paying dividends without advance notice and for an indefinite period of time.

Potential Change to U.S. Regulatory System

In December 2025, President Trump issued an executive order which directs the Attorney General to expedite the movement of marijuana from Schedule I to Schedule III under the Controlled Substances Act. If the DEA successfully reschedules cannabis, there may be new regulatory compliance obligations placed upon cannabis operators in the United States. Under the FFDCA (as defined below), Schedule III cannabis and cannabis-derived products bearing health claims (e.g., under a medical marijuana state

regime) would be treated as a “new drug” requiring approval by the FDA (as defined below) before they could be dispensed, by prescription only. The FDA can also enforce against cannabis products unlawfully marketed as conventional foods or dietary supplements or that are otherwise misbranded or adulterated under the FFDCA.

Even if cannabis is rescheduled to Schedule III under the Controlled Substances Act, the current state-legal medical and adult-use cannabis business activities would remain illegal under U.S. federal law at the outset. Rescheduling would allow a potential pathway for federally legal medical cannabis, although this would require approval by the FDA of cannabis and cannabis-derived products, as well as alignment of state regimes with federal requirements.

Therefore, there is a risk that U.S. federal authorities through, among others, the DOJ, its sub-agency the DEA, and the IRS, may enforce federal law. This enforcement could entail active investigations, auditing, and shutting down cannabis growing facilities, processors, and retailers. If any such action occurs, the Company may be deemed to be producing, cultivating or dispensing cannabis and drug paraphernalia in violation of U.S. federal law. Since federal law criminalizing the cultivation, production, extraction, distribution, transportation, possession or use of marijuana applies despite state laws that legalize such actions, enforcement of federal law regarding marijuana is a significant risk and would greatly harm the Company’s business, prospects, revenue, results of operation and financial condition. There can be no assurances that the U.S. federal government will not seek to enforce the applicable laws against the Company. The consequences of such enforcement would be materially adverse to the Company’s business, including to the reputation, profitability, and market price of its securities, and have the potential to result in the forfeiture or seizure of all or substantially all of the Company’s assets.

U.S. Federal trademark protection may not be available for the intellectual property of the Company due to the current classification of cannabis as a Schedule I controlled substance.

As long as cannabis remains illegal under U.S. federal law as a Schedule I controlled substance pursuant to the Controlled Substances Act, the benefit of certain federal laws and protections that may be available to most businesses, such as federal trademark protection regarding the intellectual property of a business, may not be available to the Company. As a result, the Company’s intellectual property may never be adequately or sufficiently protected against use or misappropriation by third parties. In addition, since the regulatory framework of the cannabis industry is in a constant state of flux, the Company can provide no assurance that it will ever obtain any protection of its intellectual property in the United States, whether on a federal, state, or local level.

Ability to Access Private and Public Capital

The Company has historically relied on access to private and public capital in order to support its continuing operations and the Company expects to continue to rely almost exclusively on the capital markets to finance its business in the U.S. legal cannabis industry. Although such business carries a higher degree of risk, and is not legal pursuant to U.S. federal law, Canadian based issuers involved in the U.S. cannabis industry have been successful in completing public financings. However, there is no assurance the Company will be successful, in whole or in part, in raising funds in the future, particularly if the U.S. federal authorities change their position toward enforcing the Controlled Substances Act. Further, access to funding from U.S. residents may be limited due their unwillingness to be associated with activities which violate U.S. federal laws.

Service Providers

As a result of any adverse change to the approach in enforcement of United States cannabis laws, adverse regulatory or political change, additional scrutiny by regulatory authorities, adverse change in public perception in respect of the consumption of marijuana or otherwise, third party service providers to the Company could suspend or withdraw their services, which are necessary for the Company’s operations. Such suspension or withdrawal by such third-party service providers may have a material adverse effect on the Company’s business.

Enforceability of Contracts

It is a fundamental principle of law that a contract will not be enforced if it involves a violation of law or public policy. Because cannabis remains illegal at the federal level in the United States, judges in multiple states have previously refused to enforce contracts for the repayment of money when the loan was used in connection with activities that violate federal law, even where there was no violation of state law. It is not certain that the Company will be able to legally enforce contracts it enters into if necessary. The Company cannot be assured that it will have a remedy for breach of contract, and such lack of a remedy could have a material adverse effect on the Company's business.

Admissibility to the U.S.

Admissibility into the United States for those individuals involved with cannabis remains uncertain since the sale, possession, production and distribution of marijuana or the facilitation of the aforementioned remain illegal under U.S. federal law.

U.S. Customs practices continue to evolve and U.S. Customs and Border Protection ("**CBP**") released a statement on October 11, 2018 (the "**CBP Statement**") confirming that CBP enforces the laws of the United States and U.S. laws have not changed following Canada's legalization of marijuana. Requirements for international travelers wishing to enter the United States are governed by and conducted in accordance with U.S. federal law, which supersedes state laws. Although medical and recreational marijuana may be legal in some U.S. States and Canada, the sale, possession, production and distribution of marijuana or the facilitation of the aforementioned remain illegal under U.S. federal law. Consequently, crossing the border or arriving at a U.S. port of entry in violation of this law may result in denied admission, seizure, fines, and apprehension.

The CBP Statement also stated that CBP officers are thoroughly trained on admissibility factors and the *Immigration and Nationality Act*, which broadly governs the admissibility of travelers into the United States. Determinations about admissibility and whether any regulatory or criminal enforcement is appropriate are made by a CBP officer based on the facts and circumstances known to the officer at the time. Generally, any arriving alien who is determined to be a drug abuser or addict, or who is convicted of, admits having committed, or admits committing, acts which constitute the essential elements of a violation of (or an attempt or conspiracy to violate) any law or regulation of a State, the United States, or a foreign country relating to a controlled substance, is inadmissible to the United States.

The CBP Statement then continued to state that a Canadian citizen working in or facilitating the proliferation of the legal marijuana industry in Canada, coming to the U.S. for reasons unrelated to the marijuana industry will generally be admissible to the U.S. However, if a traveler is found to be coming to the U.S. for reason related to the marijuana industry, they may be deemed inadmissible.

The Company's and its subsidiaries' operations in the United States may be subject to heightened scrutiny.

Government policy changes or public opinion may also result in a significant influence over the regulation of the cannabis industry in Canada, the United States or elsewhere. A negative shift in the public's perception of medical cannabis in the United States or any other applicable jurisdiction could affect future legislation or regulation. Among other things, such a shift could cause state jurisdictions to abandon initiatives or proposals to legalize medical cannabis, thereby limiting the number of new state jurisdictions into which the Company could expand. Any inability to fully implement the Company's expansion strategy may have a material adverse effect on the Company's business, financial condition and results of operations.

Unlike in Canada which has federal legislation uniformly governing the cultivation, distribution, sale and possession of medical and recreational adult use cannabis under the *Cannabis Act* (Canada), investors are cautioned that in the United States, cannabis is largely regulated at the state level. To the Company's knowledge, there are to date a total of 46 states, plus the District of Columbia, that have legalized cannabis in some form. Notwithstanding the permissive regulatory environment of medical cannabis at the state level, cannabis continues to be categorized as a controlled substance under the Controlled Substances Act in the United States and as such, may be in violation of federal law in the United States.

Since 2014, the United States Congress has passed appropriations bills which included provisions to prevent the federal government from using congressionally appropriated funds to enforce federal marijuana laws against regulated medical marijuana actors operating in compliance with state and local law (currently the "**Leahy Amendment**", but also referred to as the Rohrabacher-Farr Amendment).

The Leahy Amendment was set to expire with the 2018 fiscal year on December 31, 2018 (“**2018 Fiscal Year**”), however, Congress approved a nine-week continuing resolution from the 2018 Fiscal Year (the “**Continuing Resolution**”). The Continuing Resolution has the purpose of providing ongoing and consistent protection for the medical cannabis industry until December 7, 2018. Congress has been negotiating the 2019 Fiscal Year appropriations since February 2018. The much relied upon appropriations protecting the medical cannabis industry were renewed in both the House and Senate versions of the 2019 Fiscal Year Appropriations bills, with the expectation that the language will be included in the final 2019 Fiscal Year Appropriations Bill. However, it should be noted that there is no assurance that the final 2019 Fiscal Year Appropriations Bill will include appropriations protecting the medical cannabis industry. Until Congress agrees on the 2019 Fiscal Year Appropriations Bill, Congress may pass additional continuing resolutions from the 2018 Fiscal Year, which resolutions would provide ongoing and consistent protection for the medical cannabis industry.

On December 22, 2018, Congress failed to pass the 2019 Fiscal Year Appropriations Bill, including the Leahy Amendment, causing a shutdown of the federal government. During a federal government shutdown, certain “nonessential” governmental programs are stalled; however, federal law enforcement and prosecution actions are exempted from furlough, thus Drug Enforcement Administration agents and federal prosecutors can operate without any restriction otherwise imposed by the spending bill regarding interference with the cannabis industry. Accordingly, during a shutdown, there can be no assurance that the federal government will not seek to prosecute cases involving medical cannabis business that are otherwise compliant with state law.

Medical cannabis has largely been shielded from federal enforcement actions by acts of the United States Congress in the form of what is commonly called the “Rohrabacher-Blumenauer Amendment,” which prevents federal prosecutors from using federal funds to impede the implementation of medical cannabis laws enacted at the state-level, subject to the United States Congress restoring such funding. This amendment has always applied solely to medical cannabis programs and has no effect on the pursuit of recreational cannabis activities. The amendment has historically been passed as an amendment to omnibus appropriations bills, which by their nature expire at the end of a fiscal year or other defined term. Most recently, the amendment was renewed in the Commerce-Justice-Science (CJS) appropriations package for 2026 (H.R. 6938) and its effective through September 30, 2026.

In July 2020, the House of Representatives passed the “Blumenauer-McClintock-Norton-Lee amendment,” to the CJS appropriations bill for 2021 (H.R. 7617). That amendment proposed extending the Rohrabacher-Blumenauer Amendment’s protections for state medical cannabis programs to include recreational programs in states where recreational cannabis is legal. The amendment was not included in the final spending bill and at this time the protections afforded by the Rohrabacher-Blumenauer Amendment apply only to medical cannabis programs.

Should the Rohrabacher-Blumenauer Amendment language not be extended beyond September 30, 2026, there can be no assurance that the federal government will not seek to prosecute cases involving medical cannabis businesses that are otherwise compliant with state law.

Regulatory Action and Approvals from the Food and Drug Administration

The Company’s cannabis-based products are supplied to patients diagnosed with certain medical conditions. However, the Company’s cannabis-based products are not approved by the Food and Drug Administration (“**FDA**”) as “drugs” or for the diagnosis, cure, mitigation, treatment, or prevention of any disease. Accordingly, the FDA may regard any promotion of the cannabis-based products as the promotion of an unapproved drug in violation of the Federal Food, Drug and Cosmetic Act (“**FFDCA**”).

In recent years, the FDA has issued letters to a number of companies selling products that contain cannabidiol (“**CBD**”) oil derived from industrial hemp warning them that the marketing of their products violates the FFDCA. FDA enforcement action against the Company could result in a number of negative consequences, including fines, disgorgement of profits, recalls or seizures of products, or a partial or total suspension of the Company’s production or distribution of its products. Any such event could have a material adverse effect on the Company’s business, prospects, financial condition, and operating results.

Re-classification of Cannabis in and Removal of Industrial Hemp from the Controlled Substances Act in the United States

On December 28, 2018, the Agricultural Improvement Act of 2018 (commonly known as the “**Farm Bill**”) was signed into law. The Farm Bill, among other things, removed industrial hemp and its cannabidiols, including CBD derived from industrial hemp, from

the Controlled Substances Act and will amend the Agricultural Marketing Act of 1946 to allow for industrial hemp production and sale in the United States. Under the Farm Bill, industrial hemp is defined as “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 delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis.” The U.S. Department of Agriculture will promulgate regulations for the industrial hemp industry, the timing of which cannot be assured. Additionally, the Farm Bill does not legalize CBD derived from “marihuana” (as such term is defined in the Controlled Substances Act), which is and will remain a Schedule I controlled substance under the Controlled Substances Act. It is not yet known what role the FDA will have in regulating industrial hemp and CBD derived from industrial hemp.

Hemp products, including psychoactive hemp-derived products, are subject to state and federal regulation in respect to the production, distribution and sale of products intended for human ingestion or topical application. Hemp is categorized as *Cannabis sativa* L., a subspecies of the cannabis genus. Numerous unique, chemical compounds are extractable from hemp, including CBD, THC and its various isomers (e.g., delta-8 THC, delta-9 THC, delta-10 THC, etc.), and other cannabinoids such as THC-A and THC-O (collectively, “THC Variants”). Hemp, as defined in the Farm Bill, is distinguishable from cannabis, which also comes from the *Cannabis sativa* L. subspecies, by its absence of more than trace amounts (0.3% or less) of the psychoactive compound Delta-9 THC.

As a result of the Farm Bill, U.S. federal law dictates that CBD and THC Variants derived from hemp are not controlled substances; however, products derived from hemp may still be considered a controlled substance under applicable state law. Individual states take varying approaches to regulating the production and sale of hemp and hemp-derived CBD and THC Variants. Some states explicitly authorize and regulate the production and sale of hemp-derived CBD and THC Variants or otherwise provide legal protection for authorized individuals to engage in commercial hemp activities. Other states, however, maintain laws that do not distinguish between cannabis and hemp and/or hemp-derived CBD or THC Variants which results in hemp being classified as a controlled substance under certain state laws.

In addition, the Farm Bill preserves the authority and jurisdiction of the FDA under the FFDCa 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 THC Variants. The Food and Drug Administration has not evaluated or approved CBD or THC Variants, and therefore does not consider them to be GRAS (Generally Recognized as Safe) for use in foods. The FDA has also found that because CBD and THC are in certain drugs approved by FDA, they cannot be used in foods or dietary supplements. Accordingly, per the FDA, foods and dietary supplements containing CBD and THC Variants do not comply with the FFDCa. FDA enforcement of its position has thus far been minimal and limited to sending warning letters to a relatively small number of companies.

The approach to the enforcement of cannabis laws may be subject to change or may not proceed as previously outlined.

Additional Risk Factors

An investment in the securities of the Company is speculative, involving a high degree of risk. There are several risk factors that could cause the Company’s actual results, performance, and achievements to differ materially from those described herein. If any of these risks occur, the Company’s business may be harmed, and its financial condition and results of operations may suffer significantly. Such risk factors include, but are not limited to, the risks discussed in this MD&A.

The Credit Agreement

The Credit Agreement requires the Company to satisfy certain positive and negative covenants, including items such as restrictions on its ability to dispose of assets, make certain investments or incur additional debt as well as to maintain certain minimum cash thresholds. These covenants may prevent the Company from taking actions that it believes would be in the best interest of its business and may make it difficult for it to execute its business strategy successfully or effectively compete with businesses that are not subject to the same restrictions. The Company’s ability to comply with these covenants may be affected by economic, financial and industry conditions beyond its control, including credit or capital market disruptions. The breach of any of these covenants could result in a default that would permit the lenders under the notes to declare all amounts outstanding to be due and payable, together with accrued and unpaid interest. There is no assurance that the Company will be able to secure additional financing to repay the loan should cash flows from operations be insufficient to repay the indebtedness, whether it is in default or not. If the Company is unable to repay the indebtedness, the lenders could proceed against the collateral securing

the indebtedness. This could have serious consequences to the Company's financial position and results of operations and could cause it to become bankrupt or insolvent.

Liquidity Risks

The Company is exposed to counterparty risks and liquidity risks, including, but not limited to, through: (i) financial institutions that may hold the Company's cash and cash equivalents; (ii) companies that will have payables to the Company; (iii) the Company's insurance providers; and (iv) the Company's lenders. These factors may impact the Company's ability to obtain loans and other credit facilities in the future and, if obtained, on favourable terms. If these risks materialize, the Company's operations could be adversely impacted, and the market price of the Company's shares could be adversely affected.

Profitability

The Company has incurred losses in recent periods and has negative net income, including the fiscal years ended December 31, 2025 and December 31, 2024. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Company expects to continue to invest in the business and incur operating expenses as it implements initiatives to continue to improve the business. If the Company's revenues do not increase to offset these expenses, the Company will not be profitable. If the Company's revenue declines or fails to grow at a rate faster than its expenses, and the Company is unable to secure funding under terms that are favorable or acceptable, or at all, the Company will not be able to achieve and maintain profitability in future periods. As a result, the Company may continue to generate losses. The Company may not achieve profitability in the future and, even if it does become profitable, the Company might not be able to sustain that profitability. There is no assurance that future revenues will be sufficient to generate the funds required to continue operations without external funding.

Negative Operating Cash Flow and Ability to Continue as a Going Concern

The Company has negative cash flow from operating activities and has historically incurred net losses. There is no assurance that sufficient revenues will be generated in the near future. To the extent that the Company has negative operating cash flows in future periods, it may need to deploy a portion of its existing working capital to fund such negative cash flows. The Company may be required to raise additional funds through the issuance of additional equity securities or through loan financing. There is no assurance that additional capital or other types of financing will be available if needed or that these financings will be on terms at least as favourable to the Company as those previously obtained, or at all. The Company's ability to successfully raise additional capital and maintain liquidity may be impaired by factors outside of its control, such as a shift in consumer preferences or a downturn in the economy.

The Company's Consolidated Financial Statements have been prepared assuming that the Company will continue as a going concern. The going concern basis of accounting contemplates the realization of assets and the settlement of liabilities in the normal course of business. As at December 31, 2025, the Company had cash and cash equivalents of \$8,910 and working capital of \$3,961. For the year ended December 31, 2025, the Company incurred a net loss of (\$72,136) and experienced negative operating cash flows of (\$588). These conditions indicate the existence of events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon its continued operations, which in turn is dependent upon, among other things, the Company's ability to meet its financial requirements. There is no assurance that the Company will be successful in its plans to fund its operations and debt obligations as they become due and payable.

Artificial Intelligence

The Company's use of, or failure to effectively implement, artificial intelligence ("AI") and automated systems could lead to operational disruptions, data inaccuracies, erroneous outputs, or legal liabilities. AI technologies are complex, rapidly changing, and may not operate as intended. The regulatory landscape for AI is nascent; new laws may impose costly compliance requirements, differ across jurisdictions, and restrict the Company's ability to use certain AI technologies. Furthermore, the use of generative AI by the Company's employees or third-party service providers could result in privacy and data security concerns, or the unintended disclosure of trade secrets or intellectual property.

The Company may incorporate AI technologies into its business operations, such as its cultivation monitoring, supply chain forecasting, and retail customer engagement platforms. If the algorithms of the AI technologies used are flawed, or if the data used to train them is biased or inaccurate, it could lead to suboptimal cultivation yields, inventory imbalances, or discriminatory marketing practices. The Company aims to use AI technologies responsibly, and identify and mitigate associated ethical, legal, and technical risks, but the Company may not detect or resolve issues before they occur.

Fluent Corp.

Condensed Interim Consolidated Financial Statements (Unaudited)

**As of March 31, 2026 and December 31, 2025 and
For the three months ended March 31, 2026 and 2025**

(Expressed in thousands of United States Dollars unless otherwise stated)

Fluent Corp.

Index to the Condensed Interim Consolidated Financial Statements (Unaudited)

	<u>Page(s)</u>
Condensed Interim Consolidated Statements of Financial Position -----	3
Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) ----	4
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity -----	5
Condensed Interim Consolidated Statements of Cash Flows -----	6
Notes to the Condensed Interim Consolidated Financial Statements -----	7-36

Fluent Corp.
Condensed Interim Consolidated Statements of Financial Position (Unaudited)
As of March 31, 2026 and December 31, 2025
(Amounts expressed in thousands of United States Dollars unless otherwise stated)

	Notes	March 31, 2026	December 31, 2025
Assets			
Current assets			
Cash and cash equivalents (includes restricted cash of \$2,000 at March 31, 2026 and \$4,500 at December 31, 2025)	14(b)	\$ 8,334	\$ 8,910
Accounts receivable, net		1,081	839
Biological assets	4	2,108	2,670
Inventories, net	5	11,026	12,815
Prepaid expenses and other current assets	6	1,837	3,482
Total current assets		\$ 24,386	\$ 28,716
Property and equipment, net	7	37,606	39,755
Right-of-use assets, net	15	41,629	43,747
Intangible assets, net	8	33,180	33,114
Goodwill	9	1,525	1,525
Other assets	10	1,710	1,725
Total assets		\$ 140,036	\$ 148,582
Liabilities and shareholders' deficit			
Current liabilities			
Accounts payable		\$ 9,856	\$ 6,942
Accrued expenses		7,454	9,903
Derivative liabilities	12	647	1,632
Current portion of notes payable	14	6,653	1,253
Lease obligations - current portion	15	5,581	5,474
Total current liabilities		\$ 30,191	\$ 25,204
Long-term liabilities			
Notes payable, net of current portion and financing costs	14	60,073	59,613
Lease liabilities, net of current portion	15	63,693	65,982
Deferred tax liabilities, net		3,874	4,053
Uncertain tax position	11	63,107	60,146
Provision liability, net of current portion	13	7,065	7,004
Convertible notes, net	14	7,826	7,540
Total long-term liabilities		\$ 205,638	\$ 204,338
Total liabilities		\$ 235,829	\$ 229,542
Shareholders' deficit			
Share capital	16	206,629	206,629
Share-based compensation reserve	16	7,673	7,583
Equity conversion feature	16	7,097	7,097
Warrants		29,634	29,634
Accumulated deficit		(345,630)	(330,707)
Accumulated other comprehensive loss		(1,196)	(1,196)
Total shareholders' deficit		\$ (95,793)	\$ (80,960)
Total liabilities and shareholders' deficit		\$ 140,036	\$ 148,582

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

Other notes include:

Nature of operations (Note 1)
 Basis of presentation (Note 2)
 Discontinued operations (Note 3)
 Commitments and contingencies (Note 18)
 Related-party transactions (Note 19)
 Financial instruments and financial risk (Note 20)
 Capital management (Note 21)
 Supplemental cash flow information (Note 23)
 Subsequent events (Note 24)

Approved on behalf of the Board:

Dave Vautrin
 Chief Executive Officer (Interim)

Patricia Fonseca
 Chief Financial Officer

Fluent Corp.
**Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Loss (Unaudited)
For the three months ended March 31, 2026 and 2025**
(Amounts expressed in thousands of United States Dollars unless otherwise stated)

	Notes	For the three months ended	
		March 31, 2026	March 31, 2025
Revenue, net of discounts		\$ 17,888	\$ 22,905
Cost of goods sold		12,383	11,805
Gross profit before fair value adjustments		5,505	11,100
Fair value adjustments on inventory sold	4	(340)	(301)
Unrealized gain (loss) on changes in fair value of biological assets	4	(3,513)	3,025
Gross profit		1,652	13,824
Expenses			
General and administrative	17	3,617	4,888
Sales and marketing	17	4,533	5,761
Depreciation and amortization	7, 8	1,634	1,853
Share-based compensation	16	90	25
Total expenses		9,874	12,527
Income (loss) from operations		(8,222)	1,297
Other expense (income)			
Finance costs, net	22	5,141	4,341
Change in fair value of derivative liability	12	(985)	(457)
Loss on disposal of assets, net		129	-
Gain on disposition of finance lease		(238)	-
Other expense (income)		(197)	12
Total other expense, net		3,850	3,896
Income (loss) before income taxes		(12,072)	(2,599)
Income tax expense	11	2,851	6,455
Net income (loss) from continuing operations		(14,923)	(9,054)
Net income (loss) from discontinued operations	3	-	304
Net income (loss)		\$ (14,923)	\$ (8,750)
Comprehensive income (loss)		\$ (14,923)	\$ (8,750)
Net income (loss) per share			
Basic and diluted - continuing operations		\$ (0.02)	\$ (0.02)
Basic - discontinued operations		\$ -	\$ 0.00
Diluted - discontinued operations		\$ -	\$ 0.00
Weighted average number of shares			
Basic number of shares	16	637,763,019	473,275,109
Diluted number of shares	16	674,365,319	662,961,645

The accompanying notes are an integral part of these consolidated financial statements. Comparative figures have been restated to present results from discontinued operations.

Fluent Corp.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Unaudited)

For the three months ended March 31, 2026 and 2025

(Amounts expressed in thousands of United States Dollars unless otherwise stated)

	Share capital			Reserves						
	Number of unrestricted common shares	Number of exchangable shares	Amount	Share-based compensation reserve	Equity conversion feature	Warrants	Accumulated deficit	Accumulated other comprehensive loss	Total shareholders' deficit	
Balance, December 31, 2024	472,306,938	153,069,395	\$ 206,419	\$ 7,275	\$ 7,097	\$ 29,634	\$ (258,211)	\$ (1,196)	\$ (8,982)	
Shares issued for board fees (Note 16 b.)	1,657,063	-	-	-	-	-	-	-	-	
Restricted stock units and options (Note 16)	-	-	-	25	-	-	-	-	25	
Net loss	-	-	-	-	-	-	-	(8,750)	(8,750)	
Balance, March 31, 2025	473,964,001	153,069,395	\$ 206,419	\$ 7,300	\$ 7,097	\$ 29,634	\$ (258,211)	\$ (9,946)	\$ (17,707)	
Balance, December 31, 2025	637,763,019	-	\$ 206,629	\$ 7,583	\$ 7,097	\$ 29,634	\$ (330,707)	\$ (1,196)	\$ (80,960)	
Restricted stock units and options (Note 16)	-	-	-	90	-	-	-	-	90	
Net loss	-	-	-	-	-	-	(14,923)	-	(14,923)	
Balance, March 31, 2026	637,763,019	-	\$ 206,629	\$ 7,673	\$ 7,097	\$ 29,634	\$ (345,630)	\$ (1,196)	\$ (95,793)	

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

Fluent Corp.
Condensed Interim Consolidated Statements of Cash Flows (unaudited)
For the three months ended March 31, 2026 and 2025
(Amounts expressed in thousands of United States Dollars unless otherwise stated)

	For the three months ended March 31,	
	2026	2025
Cash flows used in operating activities		
Net loss	\$ (14,923)	\$ (8,750)
Adjustments for non-cash items:		
Unrealized (gain) loss on changes in fair value of biological asset:	3,513	(3,025)
Realized (gain) loss on fair value amounts included in inventory :	340	301
Share-based compensation expense	90	25
Depreciation and amortization	4,646	4,553
Accretion and interest expense	4,956	4,332
Loss on disposition of fixed assets	129	-
Loss (gain) on lease modification	(238)	-
Net change in fair value of derivative	(985)	(457)
Deferred tax expense (recovery)	(179)	516
Net change in non-cash working capital		
Accounts receivable	(242)	187
Biological assets	(6,489)	(5,541)
Inventory	4,987	3,233
Prepaid expenses and other current assets	1,645	763
Right of use assets/liabilities	(1,834)	(1,000)
Other assets	15	(58)
Accounts payable	2,914	(1,892)
Accrued expenses	(3,251)	500
Uncertain tax position	2,961	4,862
Net cash used in operating activities (see Note 3)	\$ (1,945)	\$ (1,451)
Cash flows used in investing activities		
Disposition of equity interest	175	-
Purchases of property and equipment	(927)	(4,179)
Purchase of intangible assets	(315)	-
Net cash used in investing activities (see Note 3)	\$ (1,067)	\$ (4,179)
Cash flows provided by (used in) financing activities		
Payment of lease obligations	(1,277)	(1,051)
Proceeds from term loan amendment, net of financing costs	5,740	-
Principal and interest repayments of notes payable	(2,027)	(2,681)
Net cash provided by (used in) financing activities (see Note 3)	\$ 2,436	\$ (3,732)
Net change in cash	(576)	(9,362)
Cash, beginning of period	8,910	40,106
Cash, end of period	\$ 8,334	\$ 30,744

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

Fluent Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Amounts expressed in thousands of United States Dollars unless otherwise stated)

1. Nature of operations

Fluent Corp. (the “Company”) was incorporated under the laws of the Province of Ontario, Canada pursuant to the Ontario Business Corporations Act. (“OBCA”) on August 31, 2018. The Company’s registered office is located at 365 Bay Street, Suite 800, Toronto, Ontario, M5H 2V1.

The Company, through its subsidiaries, is licensed to produce and sell medical cannabis in Florida and Texas and was licensed to sell medical cannabis in Pennsylvania, prior to the disposition of its Pennsylvania operations on December 31, 2025 (see Note 3).

Through its acquisition of RIV Capital Inc. (“RIV Capital”) on December 19, 2024, the Company is licensed to produce and sell both medical and adult-use cannabis in New York.

The Company’s medical and adult-use cannabis products are offered in oral drops, capsules, topicals, syringes, dried flower, pre-rolls, cartridges, concentrates, and edibles.

During the three months ended March 31, 2026, the Company’s operations were organized into three operating segments, resulting in one reportable segment. During the three months ended March 31, 2025, the Company’s operations were organized into four operating segments, resulting in one reportable segment. All revenues for the three months ended March 31, 2026 and 2025 were generated in the United States.

2. Basis of preparation

(a) Statement of compliance

The condensed interim consolidated financial statements of the Company 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 condensed interim consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business as they become due for the near future.

These condensed interim consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Company on May 31, 2026.

The Company has evaluated the applicability of the IFRS Sustainability Disclosure Standards, including IFRS S1 and IFRS S2, for the current reporting period. The Company operates exclusively through indoor cannabis cultivation facilities and, based on this model, has assessed its direct exposure to climate-related physical risks as limited.

However, the Company acknowledges that indoor operations may still contribute to environmental impact through high energy consumption, reliance on artificial lighting and HVAC systems, water usage, and waste generation. These activities may give rise to transitional risks over time, including changes in energy regulation, carbon pricing mechanisms, local environmental ordinances, and stakeholder expectations regarding sustainability performance.

While climate-related risks and opportunities are not currently assessed as material to the Company’s financial position, performance, or prospects, management continues to monitor evolving regulatory and market developments. The applicability of IFRS S1 and IFRS S2 will be reassessed periodically to ensure ongoing compliance with sustainability-related disclosure requirements

(b) Material uncertainty related to going concern

These condensed interim consolidated financial statements have been prepared assuming that the Company will continue as a going concern. The going concern basis of accounting contemplates the realization of assets and the settlement of liabilities in the normal course of business.

As of March 31, 2026, the Company had cash and cash equivalents of \$8,334 and working capital deficit of (\$5,805). For the three months ended March 31, 2026, the Company incurred a net loss of (\$14,923) and experienced negative operating cash flows of (\$1,945).

These conditions indicate the existence of events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

Subsequent to the three-month period ended March 31, 2026, the Company has been pursuing strategic initiatives intended to strengthen its liquidity position and support ongoing operations. These initiatives include entering into the arrangement agreement with Vireo Growth Inc. ("Vireo") in connection with the Vireo Arrangement (as defined in Note 24), and entering into the definitive agreement with Legacy Therapeutics, LLC for the sale of its Texas operations (see Note 24 for further details). While management believes these initiatives may provide a pathway to additional capital and improved liquidity, their success is subject to various conditions not wholly within the Company's control.

Accordingly, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern, and therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business. These condensed interim consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Such adjustments could be material.

(c) Basis of measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain financial assets, derivative and provision liabilities, and biological assets which are measured at fair value at the financial reporting date.

Historical cost is the fair value of the consideration given in exchange for goods and services measured at the time of the transaction.

(d) Basis of consolidation

The condensed interim consolidated financial statements include the accounts of the Company and its wholly and majority-owned subsidiaries. Subsidiaries over which the Company has control are fully consolidated from the date control commences until the date control ceases. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights that are substantive are considered. Non-controlling interests in the equity of consolidated subsidiaries are shown separately in the condensed interim consolidated statements of financial position, condensed interim consolidated statements of income (loss) and comprehensive income (loss) and in the condensed interim consolidated statements of changes in shareholders' deficit. The results of subsidiaries acquired during the year are consolidated from the date of acquisition. All intercompany balances and transactions are eliminated on consolidation. The information below lists

Fluent Corp.**Notes to the Condensed Interim Consolidated Financial Statements***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

the Company's subsidiaries that are included in these condensed interim consolidated financial statements and the ownership interest held as of March 31, 2026 and December 31, 2025, respectively.

	% Ownership March 31, 2026	% Ownership December 31, 2025
Cansortium Holdings LLC	100%	100%
Cansortium Pennsylvania, LLC	-	-
Cansortium Puerto Rico, LLC	100%	100%
Cansortium Texas, LLC	100%	100%
Cansortium Canada Holdings Inc.	100%	100%
Fluent Servicing, LLC	100%	100%
Cansortium Brazil Ltda.	-	100%
Cansortium Florida, LLC	100%	100%
Cansortium Colombia S.A.S.	50%	50%
Spirit Lake Road Nursery, LLC	100%	100%
Cavern Capital Holdings LLC	100%	100%
Fluent Hemp LLC	100%	100%
Cansortium International Inc.	100%	100%
Trick Tail Capital LLC	100%	100%
RIV Capital Inc.	100%	100%
2683922 Ontario Inc.	100%	100%
RIV Capital US Corp.	100%	100%
RIV Capital US Services LLC	100%	100%
Allgro Holdings LLC	100%	100%
Etain, LLC	100%	100%

On December 31, 2025, the Company completed the sale of its Pennsylvania operations for cash proceeds of \$12,500. See Note 3 for further details.

On May 1, 2026, the Company announced that it entered into a definitive agreement to sell Cansortium Texas, LLC. The transaction is subject to applicable regulatory approvals and the satisfaction of certain other customary closing conditions. See Note 24 for further details.

(e) Material accounting policy information

The condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, following the same accounting policies and methods of application as those disclosed in the annual audited consolidated financial statements for the years ended December 31, 2025, and 2024. These condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Company for the years ended December 31, 2025, and 2024, including the accompanying notes thereto.

(f) Critical accounting judgments, estimates and assumptions

The preparation of the Company's condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, and revenue and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods.

Critical judgments, estimates and assumptions that have the most significant effect on the amounts recognized on these condensed interim consolidated financial statements have been set out in Note 4 of the audited annual consolidated financial statements for the years ended December 31, 2025, and 2024.

(g) Accounting standards and amendments issued and adopted

Certain new accounting standards, amendments, and interpretations have been published that are effective in the current period and are either not applicable to the Company or have been assessed by the Company and do not have a material impact on results.

(h) Accounting standards and amendments issued but not yet adopted or effective

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosure in Financial Statements* ("IFRS 18"), which replaces IAS 1, *Presentation of Financial Statements*. The new guidance is expected to improve the usefulness of information presented and disclosed in the financial statements of companies. IFRS 18 introduces a defined structure for the statement of income (or loss), where companies will be required to present separate categories of income and expenses for operating, investing, and financing activities with prescribed subtotals for each new category. IFRS 18 also requires disclosure of management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information.

IFRS 18 does not modify the recognition and measurement provisions of items in the financial statements. However, since items within the statement of income (or loss) must be classified into one of five categories (operating, investing, financing, taxes on income, and discontinued operations), it may impact the entity's operating income. The publication of IFRS 18 has also resulted in consequential narrow scope amendments to other accounting standards, including IAS 7, *Statement of Cash Flows*, and IAS 34, *Interim Financial Reporting*.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, and is to be applied retrospectively. Early adoption is permitted, but will need to be disclosed. The Company is currently assessing the impact of IFRS 18, including the impact of the consequential amendments to other accounting standards, on its consolidated financial statements. The Company expects IFRS 18 will result in changes in the way financial information is organized and presented internally to align with the standard's structure. The Company will also assess alignment of IFRS 18 requirements with its reportable segment disclosures under IFRS 8.

Certain other new amendments and interpretations have been published that are effective in future annual reporting periods that are either not reasonably expected to be relevant for the Company or are not anticipated to have a material impact on results. The Company intends to adopt these standards when they become effective.

3. Discontinued operations

On December 31, 2025, the Company completed the sale of its Pennsylvania operations for cash proceeds of \$12,500 (the "Pennsylvania Disposition"). Pursuant to the terms of the definitive agreement entered into in connection with the Pennsylvania Disposition, the purchase price was subject to adjustment pursuant to a customary working capital adjustment. The working capital adjustment did not result in a change to the purchase price.

The disposition included all of the assets and liabilities the held within its wholly owned subsidiary, Consortium Pennsylvania LLC, and comprises the entire Pennsylvania cannabis operating segment. The Company determined that the Pennsylvania operating segment constitutes a component of the Company as it represents a separate major geographical area of operation. Accordingly, the results of the Pennsylvania cannabis operating segment have been presented as results from discontinued operations for the three months ended March 31, 2025.

Comparative figures for the three months ended March 31, 2025 have been re-presented to reflect the classification of the Pennsylvania operations as discontinued operations. This re-presentation did not impact total net income (loss) or comprehensive income (loss), but resulted in a reclassification between continuing and discontinued operations. Net income (loss) from discontinued operations for the three months ended March 31, 2025 is as follows:

	Three months ended March 31, 2025
Revenue, net	\$ 3,812
Cost of goods sold	2,390
Gross profit	\$ 1,422
Operating expenses	
General and administrative	6
Sales and marketing	559
Depreciation and amortization	172
Total operating expenses	737
Income from operations	685
Other expense (income)	
Finance costs, net	82
Total other expense (income)	82
Net income (loss) from discontinued operations before gain on disposal and income taxes	603
Gain on disposition of Pennsylvania cannabis operation	-
Current income tax expense	299
Net income (loss) from discontinued operations	\$304

Cash flows provided by (used in) discontinued operations reported in the condensed interim consolidated statements of cash flows for the three months ended March 31, 2025 are as follows:

Fluent Corp.**Notes to the Condensed Interim Consolidated Financial Statements***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

	Three months ended March 31, 2025
Cash flows provided by operating activities	\$ 375
Cash flows provided by investing activities	409
Cash flows used in financing activities	(48)
Cash flows provided by discontinued operations	736

4. Biological assets

Biological assets are measured at fair value less costs to sell in accordance with IFRS 41, *Agriculture*. Fair value is determined using an income approach based on internally developed valuation models. The valuation incorporates significant unobservable inputs, including expected yield per plant, stage of completion of the cultivation cycle, expected selling price per gram, expected costs to sell, and expected plant attrition prior to harvest.

The stage of completion is determined based on the proportion of the average cultivation cycle completed as of the reporting date. The Company's average cultivation cycle is approximately 13 weeks.

Movement in the Company's biological assets for the three months ended March 31, 2026, and the year ended December 31, 2025, is outlined below:

Biological Assets (USD '000)	March 31, 2026	December 31, 2025
Balance at beginning of period	\$ 2,670	\$ 3,162
Cost incurred until harvest	6,489	20,918
Effect of unrealized change in fair value of biological assets	(3,513)	(733)
Transferred to inventory upon harvest	(3,538)	(20,677)
Balance at end of period	\$ 2,108	\$ 2,670

The net change in fair value less costs to sell is recognized in the condensed interim consolidated statement of income (loss) and comprehensive income (loss) in the period in which it arises.

The fair value of biological assets is classified as Level 3 within the fair value hierarchy under IFRS 13, *Fair Value Measurement*, as the valuation is based on significant unobservable inputs. There is no active market for cannabis plants in their current condition. The key assumptions used in determining the fair value of biological assets include:

- Expected plant attrition prior to harvest
- Expected yield per plant (grams per plant)
- Stage of completion of the cultivation cycle
- Expected selling price per gram
- Expected costs to sell per gram

Due to differences in market conditions, pricing, and cultivation practices, unique assumptions are applied for Florida and Texas operations compared to New York operations.

Fluent Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Amounts expressed in thousands of United States Dollars unless otherwise stated)

A 10% increase or decrease in these significant unobservable inputs would result in a corresponding increase or decrease in the fair value of biological assets. The sensitivity to each assumption is presented in the tables below.

Florida and Texas

Assumptions	As at March 31, 2026		As at December 31, 2025	
	Input	10% Change	Input	10% Change
(i) Weighted average of expected loss of plants until harvest	7% \$	4	6% \$	12
(ii) Expected yields for cannabis plants (average grams per plant)	78 \$	62	79 \$	180
(iii) Weighted average number of growing weeks completed as percentage of total growing weeks as at period end	54% \$	62	55% \$	180
(iv) FL Estimated selling price per gram	\$4.14 per gram \$	1,142	\$6.13 per gram \$	873
(v) FL Cost to sell per gram per flower and trim, respectively	\$0.28 per gram \$	1,081	\$2.04 per gram \$	692

New York

Assumptions	As at March 31, 2026		As at December 31, 2025	
	Input	10% Change	Input	10% Change
i. Weighted average of expected loss of plants until harvest	11% \$	19	5% \$	5
ii. Expected yields for cannabis plants (average grams per plant)	191 \$	150	127 \$	98
iii. Weighted average number of growing weeks completed as a percentage of total growing weeks as at period end	66% \$	150	64% \$	98
iv. NY Estimated selling price per gram	\$1.18 per gram \$	185	\$1.06 per gram \$	120
v. NY Cost to sell per gram per flower and trim, respectively	\$0.22 per gram \$	35	\$0.20 per gram \$	23

As at March 31, 2026, the Company's biological assets were expected to yield approximately:

- 3,387,459 grams of dry cannabis for Florida and Texas (December 31, 2025 – 3,844,369 grams)
- 2,400,159 grams of dry cannabis for New York (December 31, 2025 – 1,827,892 grams)

As at March 31, 2026, the Company had:

- 48,533 plants in Florida and Texas (December 31, 2025 – 51,997 plants)
- 14,110 plants in New York (December 31, 2025 – 13,392 plants)

5. Inventory

As of March 31, 2026 and December 31, 2025, inventory consisted of the following:

	March 31, 2026	December 31, 2025
Supplies, packaging and materials	\$ 3,160	\$ 2,402
Work in progress	6,395	7,480
Finished goods	2,423	4,868
Inventory reserve	(952)	(1,935)
Balance at end of period	\$ 11,026	\$ 12,815

Inventory material costs expensed to cost of goods sold during the three months ended March 31, 2026 and the year ended December 31, 2025 were \$1,786 and \$18,807, respectively. Salaries and benefits expensed to cost of goods sold during the three months ended March 31, 2026 and year ended December 31, 2025 were \$3,929 and \$15,326, respectively. Depreciation and amortization expensed to costs of goods sold for the three months ended March 31, 2026 and the year ended December 31, 2025 were \$3,012 and \$11,217, respectively.

Fluent Corp.**Notes to the Condensed Interim Consolidated Financial Statements***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

The Company's inventory reserve reflects the value of slow-moving products and packaging not expected to be repurposed. During the three months ended March 31, 2026, the Company reversed \$390 of its reserve related to work in progress oil inventory processed in the period that it had previously not expected to utilize.

6. Prepaid expenses and other current assets

Prepaid expenses and other current assets as of March 31, 2026 and December 31, 2025 consist of the following:

	March 31, 2026	December 31, 2025
Prepaid insurance	\$ 81	\$ 337
Other prepaid expenses	312	435
Tenant improvement allowance	500	650
Prepaid inventory	142	110
Insurance financing	343	853
Other current assets	459	1,097
Balance at end of period	\$ 1,837	\$ 3,482

Fluent Corp.
Notes to the Condensed Interim Consolidated Financial Statements
(Amounts expressed in thousands of United States Dollars unless otherwise stated)
7. Property and equipment

A reconciliation of the beginning and ending balances of property and equipment for the three months ended March 31, 2026 and the year ended December 31, 2025 is as follows:

	Land	Furniture and Fixtures	Computer Equipment	Manufacturing Equipment	Leasehold Improvements	Construction in Progress	Vehicles	Total
Cost								
Balance as of January 1, 2025	-	1,719	2,183	15,368	51,597	21,167	588	92,622
Additions	-	434	15	2,071	30,690	(19,171)	-	14,039
Disposals	-	(235)	(3)	(778)	(563)	(58)	-	(1,637)
Disposal through sale of business componen	-	(53)	(131)	-	(2,303)	-	-	(2,487)
Impairment	-	(99)	-	(1,696)	(10,773)	-	(33)	(12,601)
Balance as of December 31, 2025	-	1,766	2,064	14,965	68,648	1,938	555	89,936
Accumulated depreciation								
Balance as of January 1, 2025	-	810	1,874	7,109	30,417	-	212	40,422
Additions	-	287	192	2,138	9,993	-	76	12,686
Disposals	-	(135)	(1)	(632)	(383)	-	-	(1,151)
Disposal through sale of business componen	-	(30)	(122)	-	(1,624)	-	-	(1,776)
Balance as of December 31, 2025	-	932	1,943	8,615	38,403	-	288	50,181
Property and equipment, net	\$ -	\$ 834	\$ 121	\$ 6,350	\$ 30,245	\$ 1,938	\$ 267	\$ 39,755
Cost								
Balance as of January 1, 2026	-	1,766	2,064	14,965	68,648	1,938	555	89,936
Additions	-	-	21	280	1,854	(1,188)	-	967
Disposals	-	(92)	(104)	-	(171)	-	-	(367)
Balance as of March 31, 2026	-	1,674	1,981	15,245	70,331	750	555	90,536
Accumulated depreciation								
Balance as of January 1, 2026	-	932	1,943	8,615	38,403	-	288	50,181
Additions	-	61	41	465	2,402	-	16	2,985
Disposals	-	(81)	(91)	-	(64)	-	-	(236)
Balance as of March 31, 2026	-	912	1,893	9,080	40,741	-	304	52,930
Property and equipment, net	\$ -	\$ 762	\$ 88	\$ 6,165	\$ 29,590	\$ 750	\$ 251	\$ 37,606

During the three months ended March 31, 2026 and the year ended December 31, 2025, the Company capitalized \$2,455 and \$10,211 of depreciation to biological assets and inventory, respectively.

During the year ended December 31, 2025, the Company commenced operations at two cultivation sites located in Tampa, Florida, and Buffalo, New York. Accordingly, \$22,803 of fixed assets previously classified as construction-in-progress were reclassified to leasehold improvements. Transfers from construction-in-progress to leasehold improvements are included within net additions in the table above. No new cultivation sites were opened within the three months ended March 31, 2026.

In connection with the Company's annual impairment testing of its indefinite life intangible assets on October 1, 2025, it was determined that the recoverable amount of the New York cash generating unit ("CGU") was below its carrying amount. Accordingly, the Company recognized an impairment expense of \$36,910. As there is no goodwill attributable to the Company's New York CGU, the Company allocated the impairment expense pro rata among the applicable assets within the New York CGU, which included property and equipment, net, intangible assets, net, and right-of-use assets, net. This resulted in an impairment charge of \$12,601 recorded to the Company's New York property and equipment, net. See Note 8 and Note 15 for further details. No impairment was recognized on the Company's remaining fixed assets for the three months ended March 31, 2026.

Fluent Corp.
Notes to the Condensed Interim Consolidated Financial Statements
(Amounts expressed in thousands of United States Dollars unless otherwise stated)
8. Intangible assets

Intangible assets consist of cannabis licenses, trademarks and brands, and computer software. A reconciliation of the beginning and ending balances of intangible assets for the three months ended March 31, 2026 and year ended December 31, 2025 is as follows:

	Licenses		Trademarks and	Computer	
	Amortized Cost	Indefinite Lived	Brands	Software	Total
Cost					
Balance as of January 1, 2025	2,041	36,051	9,113	32	47,237
Additions	318	-	-	40	358
Impairment	-	(3,525)	(263)	-	(3,788)
Balance as of December 31, 2025	2,359	32,526	8,850	72	43,807
Accumulated amortization					
Balance as of January 1, 2025	797	-	8,850	-	9,647
Additions	1,034	-	-	12	1,046
Balance as of December 31, 2025	1,831	-	8,850	12	10,693
Intangible assets, net	\$ 528	\$ 32,526	\$ -	\$ 60	\$ 33,114
Balance as of January 1, 2026	2,359	32,526	8,850	72	43,807
Additions	315	-	-	-	315
Disposals	-	-	-	(40)	(40)
Balance as of March 31, 2026	2,674	32,526	8,850	32	44,082
Accumulated amortization					
Balance as of January 1, 2026	1,831	-	8,850	12	10,693
Additions	207	-	-	2	209
Balance as of March 31, 2026	2,038	-	8,850	14	10,902
Intangible assets, net	\$ 636	\$ 32,526	\$ -	\$ 18	\$ 33,180

As at March 31, 2026, the Company's licenses include various cannabis licenses in Florida, New York, and Texas. The Company amortizes its renewable cannabis licenses on a straight-line basis over each applicable two-year term. Cannabis licenses acquired through business combination are recorded as indefinite life intangible assets and are tested for impairment annually, or more frequently if indicators of impairment are present.

Annual impairment testing involves determining the recoverable amount of the CGU(s) to which goodwill and indefinite life intangibles are allocated and comparing this to the carrying value of the respective CGU. As required by IAS 36, *Impairment of Assets*, goodwill and intangible assets are tested annually for impairment, or more frequently if indicators are present that suggest the carrying value may not be recoverable. Accordingly, the Company performed its annual impairment test of goodwill and indefinite life intangible assets at October 1, 2025.

Management assessed whether indicators of impairment existed at March 31, 2026 and determined no additional impairment testing was required.

Florida CGU

As at October 1, 2025, the carrying value of the definite and indefinite life intangible assets related to the Florida CGU, prior to any impairment charge, was \$29,783. The Company estimated the recoverable amount of the CGU by applying the value in use method. The value in use of the Florida CGU was calculated using a

Fluent Corp.**Notes to the Condensed Interim Consolidated Financial Statements**

(Amounts expressed in thousands of United States Dollars unless otherwise stated)

discounted cash flow model and level 3 inputs. The value in use was determined to be greater than the CGU's carrying value, therefore the Company determined there was no impairment of the Florida CGU.

New York CGU

As at October 1, 2025, the carrying value of the definite and indefinite life intangible assets related to the New York CGU, prior to any impairment charge, was \$7,170. The Company estimated the recoverable amount of the CGU by applying the value in use method. The value in use of the CGU was calculated using a discounted cash flow model and level 3 inputs. The value in use was determined to be less than the CGU's carrying value, therefore the Company recorded an impairment of \$36,910. The quantum of the impairment charge exceeded the carrying value of the indefinite life intangible assets. Therefore, the Company applied the allocation principles under IAS 36, *Impairment of Assets* to the respective assets within the New York CGU. As there is no goodwill allocated to the New York CGU, the Company allocated the impairment charge pro rata to the other assets of the CGU based on their pro rata carrying amounts, with the caveat that the carrying amount of an individual asset could not be reduced below the highest of its fair value less costs of disposal, its value in use, and zero.

The key assumptions used in the estimates of the recoverable amounts are described below:

- Cash flows were projected based on the Company's long-term business plan. The business plan contains forecasts based on actual operating results in conjunction with anticipated future growth opportunities, as well as industry and market trends. The forecasts were extended to a total of five years (with a terminal year thereafter). Revenue annual growth rates of 53.2% and 45.8% for applied to the years ended December 31, 2026 and 2027, respectively. Annualized growth was estimated based on anticipated production out of the Company's Buffalo facility. The remaining years utilized a conservative 6.1% for the year ended December 31, 2028 and 3% per year in each of the years ended December 31, 2029 and 2030 for revenue growth.
- The terminal growth rate of 3% was based on U.S. real GDP growth & inflation estimates, industry growth rates, and the Company's historical and projected industry data.
- The pre-tax discount rate applied in determining the recoverable amount of the CGU was 27.2%. The discount rate was estimated based on past experience and the weighted average cost of capital of each CGU, other competitors in the industry and adjusted for risks in the cash flow forecast.

Amortization expense for the three months ended March 31, 2026 and 2025, were \$208 and \$269, respectively. Amortization expense for intangible assets is recorded in depreciation and amortization expense on the consolidated statements of income (loss) and comprehensive income (loss). The remaining amortization period for the Florida renewable cultivation and dispensing license as of March 31, 2026 is 0.37 years (December 31, 2025 – 0.6 years). The remaining amortization period for the Texas renewable cultivation license as of March 31, 2026 is 1.50 years (December 31, 2025 – 1.75 years).

Fluent Corp.**Notes to the Condensed Interim Consolidated Financial Statements***(Amounts expressed in thousands of United States Dollars unless otherwise stated)***9. Goodwill**

The carrying value of goodwill as of March 31, 2026 and December 31, 2025 was \$1,525. At both periods, the carrying value of goodwill was wholly attributed to the Florida CGU.

During the three months ended March 31, 2026 and the year ended December 31, 2025, the Company did not recognize an impairment loss on the carrying value of goodwill.

10. Other assets

Other assets as of March 31, 2026 and December 31, 2025, are comprised of the following:

	March 31, 2026	December 31, 2025
Other assets		
Prepaid rent	\$ 14	\$ 22
Security deposits	1,472	1,479
Tax payments	224	224
Total other assets	\$ 1,710	\$ 1,725

11. Income taxes

Income tax for the three months ended March 31, 2026 and 2025 consisted of the following:

	Three months ended	
	March 31, 2026	March 31, 2025
Current income tax expense	\$ 3,030	\$ 5,939
Deferred income tax expense (recovery)	(179)	516
Total income taxes	\$ 2,851	\$ 6,455

Income tax expense is recognized based on the Company's estimate of the weighted average effective annual income tax rate expected for the full financial year. The U.S statutory tax rate in effect for the three months ended March 31, 2026 and 2025 was 21%. The Canadian statutory tax rate in effect for certain of the Company's Canadian subsidiaries was 26.5%.

Within net deferred tax liabilities recorded at March 31, 2026 and December 31, 2025, the Company recognized tax assets related to deductible temporary differences the Company expects to realize to reduce income taxes payable in future taxation years within certain of the Company's U.S. subsidiaries.

During the year ending December 31, 2024, the Company filed amended tax returns for tax year 2022 using tax positions based on legal interpretations that challenge the Company's tax liability under IRC Section 280E. The Company determined that pursuant to IFRIC 23, it is not probable that the challenge to IRC Section 280E would be sustained. Accordingly, the Company has recognized an uncertain tax position liability on its consolidated statement of financial position as of March 31, 2026 and December 31, 2025 of \$63,107 and \$60,146, respectively. The uncertain tax position includes tax liabilities and accumulated penalties and interest on amounts that would otherwise be deemed owing had the uncertain tax position not been taken. Current

Fluent Corp.**Notes to the Condensed Interim Consolidated Financial Statements***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

income tax expense for the three months ended March 31, 2026 and 2025 includes an estimate of penalties and interest accrued on the Company's uncertain tax position liability.

The classification of an uncertain tax liability as current versus non-current on the Company's condensed interim consolidated statement of financial position is determined based on the expected timing of cash payments or benefits to be recognized. The Company does not anticipate these uncertain tax benefits to be resolved in the next twelve months and anticipates that the total amount of unrecognized tax benefits may change within the next twelve months for additional uncertain tax positions taken on a go-forward basis.

12. Derivative liabilities

During the three months ended March 31, 2026 and year ended December 31, 2025, the Company's derivative liability consisted of a convertible note derivative liability. A reconciliation of the beginning and ending balances of the Company's derivative liabilities during the three months ended March 31, 2026 and year ended December 31, 2025, is as follows:

	Smith Convertible Note
Balance as of December 31, 2024	\$ 2,148
Fair value change	(516)
Balance as of December 31, 2025	\$ 1,632
Fair value change	(985)
Balance as of March 31, 2026	\$ 647

Smith Convertible Note (see Note 14)

On November 26, 2024, in connection with the closing of the Credit Agreement (defined herein), the Company and William Smith, a director and the Executive Chair of Fluent Corp., and certain companies controlled by Mr. Smith, amended and restated the termination agreement dated May 30, 2024, which provided for, among other things, the termination of the Equity Price Guarantee agreement in exchange for the issuance of a 3-year \$6,500 subordinated promissory note. Pursuant to the terms of the Amended Smith Transaction Termination Agreement, the Company paid to the Smith Group a \$500 cash fee and issued to the Smith Group a secured subordinated convertible note in an initial aggregate principal amount of \$6,500 due May 26, 2029, bearing interest of 15%, with all accrued but unpaid interest compounded quarterly, and prepayable with consent from the Smith Group (the "Smith Convertible Note"). The Smith Convertible Note is subordinated in right of payment to the Credit Agreement and the principal and accrued interest thereunder is convertible, at the discretion of the Smith Group, into common shares of the Company at a price of \$0.21 per share.

The Company assessed the Smith Convertible Note as a hybrid financial instrument and determined that the conversion feature did not meet the fixed-for-fixed criteria and therefore could not be classified as equity. The Company determined the conversion feature qualified as a financial derivative and, accordingly, is initially measured at fair value and subsequently measured at fair value through profit and loss ("FVTPL"). The Company assessed the Smith Convertible Note and determined no other embedded derivatives were present.

The Company used a FinCad model to value the convertible debt instrument, which results in a system of two coupled Black-Scholes equations for the value of the convertible instrument and a system of coupled partial differential equations that must be solved simultaneously. The embedded derivative is a Level 3 financial instrument. Key observable and unobservable inputs to the valuation at initial recognition include the Company's share price (\$0.06 per share), risk-free rate (4.3%), credit spread (12.5%), and volatility (103%). At initial recognition, the Company measured the embedded derivative liability at \$2,723.

The Company recognized a mark-to-market fair value gain of \$985 for the three months ended March 31, 2026 on remeasurement of the embedded derivative (year ended December 31, 2025 – fair value gain of \$516), which is recorded within “net change in fair value of derivative” on the condensed interim consolidated statements of income (loss) and comprehensive income (loss). Key observable and unobservable inputs to the valuation at March 31, 2026 include the Company’s share price (\$0.025 per share), risk-free rate (3.8%), credit spread (18.4%), and volatility (125.6%)

13. Provision liability

The Company’s provision liability arose through the acquisition of RIV Capital on December 19, 2024.

On December 8, 2023, the New York Cannabis Control Board (“CCB”) approved the Company’s New York subsidiary’s application to transition to a New York adult-use cannabis operator. The subsidiary had applied for a Registered Organization Dispensing (“ROD”) license, which allows the entity to participate in all aspects of vertical integration, including cultivation, processing, distribution, and retail activities. The Office of Cannabis Management (“OCM”) mandates that an ROD license holder shall pay an adult-use license fee, a cultivation fee based on canopy space and type, and a one-time \$20,000 special fee (the “Special License Fee”), which was payable in four equal installments (“Tranches”) upon the achievement of certain milestones, including separate milestones for the opening of the first and second adult-use co-located retail dispensaries, and reaching certain gross revenue thresholds.

On February 14, 2024, the Company’s New York subsidiary opened its first adult-use co-located retail dispensary. In connection with the opening of the Company’s first adult-use dispensary, the first Special License Fee payment of \$5,000 was made to the OCM on January 26, 2024.

In September 2024, Etain LLC opened its second co-located adult-use and medical cannabis retail dispensary. In connection with the opening of the Company’s second adult-use dispensary, the second Special License Fee payment of \$5,000 was expected to be due to the OCM in March 2025. As of March 31, 2026, no payment has been made toward Tranche 2 (which has been modified, as discussed herein), and the Company is currently engaged in negotiations with the OCM to arrange a payment plan.

On May 9, 2025, the New York legislature was amended to reflect changes to the Special License Fee. Under the new legislation, the aggregate Special License Fee was decreased from \$20,000 to \$15,000. As a result, the installments were also modified with Tranche 1 retroactively adjusted to \$3,000 and Tranches 2, 3, and 4 were retroactively adjusted to \$4,000 each. As the Company made a payment of \$5,000 upon the opening of its first adult-use co-located dispensary in February 2024, the Company currently owes a payment of \$2,000 to the OCM. The milestones triggering the payment of each Tranche remain unchanged with the new legislation.

The Company determined that the obligation to settle the unpaid Tranches of the Special License fee represents a present obligation arising from past events, being the receipt of the New York ROD license. The obligation is a known and predictable amount but is of uncertain timing as a result of the gross revenue threshold targets. As at December 31, 2024, in accordance with IAS 37, *Provisions, Contingent Liabilities, and Contingent Assets*, the Company recognized a provision liability equal to the present value of the remaining Special License Fee payments based on management’s estimates for the expected dates of payment. This provision liability is remeasured at each reporting period, with the gain or loss on remeasurement recognized through the consolidated statement of income (loss) and comprehensive income (loss). Tranche 3 and Tranche 4 projected cash flows were discounted using rates of 3.47% and 3.73%, respectively. As the cumulative Tranche 1 and Tranche 2 payment is fixed and determinable in accordance with the new regulations, the Company has recorded \$2,000 of the Special License Fee within accounts payable on the condensed interim consolidated statement of financial position as of March 31, 2026.

Fluent Corp.**Notes to the Condensed Interim Consolidated Financial Statements***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

The following table presents a summary continuity schedule of the carrying value of the provision liability for the three months ended March 31, 2026 and year ended December 31, 2025:

Provision liability - balance as of December 31, 2024	\$	14,001
Accretion expense		206
Remeasurement		(5,203)
Reclass to accounts payable		(2,000)
Provision liability - balance as of December 31, 2025	\$	7,004
Accretion expense		61
Remeasurement		-
Provision liability - balance as of March 31, 2026	\$	7,065

14. Notes payable and convertible notes

As of March 31, 2026 and December 31, 2025 notes payable consisted of the following:

	March 31, 2026	December 31, 2025
Credit Agreement (b)	56,598	56,043
Equipment loan (c)	37	42
Convertible debenture (d)	2,503	2,553
Insurance financing (e)	128	524
Cultivation facility loan (f)	1,311	1,312
Smith Convertible Note (g)	7,826	7,540
Parks & Long loan (h)	196	392
Interim Financing (i)	5,953	-
Total notes payable (a)	\$ 74,552	\$ 68,406
Less current portion of notes payable	(6,653)	(1,253)
Less convertible note	(7,826)	(7,540)
Notes payable, net of current portion	\$ 60,073	\$ 59,613

(a) Notes payable

A reconciliation of the beginning and ending balances of the notes payable for the three months ended March 31, 2026 and the year ended December 31, 2025 is as follows:

	March 31, 2026	December 31, 2025
Balance at the beginning of the period	\$ 68,406	\$ 76,012
Insurance financing	-	2,028
Parks & Long loan	-	784
Interest and accretion	2,433	12,227
Repayments of principal and interest	(2,027)	(22,645)
Interim Financing	5,740	-
Balance at the end of the period	\$ 74,552	\$ 68,406

Refer to Note 22 for a reconciliation of finance costs for the three months ended March 31, 2026 and 2025.

(b) Credit Agreement

On November 26, 2024, The Company had closed on a new senior secured credit agreement (the "Credit Agreement") of up to \$96,500 with Chicago Atlantic Financial Services, LLC ("Chicago Atlantic"), as successor administrative agent for certain lenders. The Credit Agreement bears a cash interest rate of 12.00% per annum and paid-in-kind interest of 1.00% per annum, and is due to mature on November 26, 2028, at which time a balloon payment of \$74,468 would be due.

The Credit Agreement provides for an initial loan of \$71,500 and initially included access to two additional credit lines of \$10,000 for future real estate acquisitions and construction projects, and \$15,000 in the event that the Company were to acquire RIV Capital's Buffalo cultivation and processing facility following the completion of the business combination. As of March 31, 2026, the additional credit lines had either expired or been cancelled.

The Credit Agreement included a financial covenant requiring the Company to maintain a minimum unrestricted cash balance of \$4,500, tested at the end of each fiscal quarter, and includes customary terms and conditions for a financing of this type, including repayment obligations upon the occurrence of certain events of default thereunder. In connection with the interim financing received March 17, 2026 (discussed herein), this liquidity covenant was reduced to \$2,000.

The Company records the Credit Agreement as a financial liability at amortized cost using the effective interest rate method. At initial recognition, the Company recorded a liability of \$64,615, which was net of capitalized debt financing acquisition costs of \$3,240. The effective interest rate used for the Credit Agreement is 17.9%. In accordance with IFRS 9, the debt financing costs are recognized over the term on a systematic basis using the effective rate of interest.

On December 31, 2025, in connection with the disposition of the Pennsylvania business (see Note 3), the Company made a mandatory prepayment of \$11,600 toward the principal of the Credit Agreement. Accordingly, on December 31, 2025, the Company remeasured the Credit Agreement using the revised contractual cashflows at the original effective rate of interest of 17.9%.

(c) Equipment loan

The Company's equipment loans consist of notes payable collateralized by equipment purchased. The equipment loans bear interest ranging from 0% to 4.494% per annum and carry maturities through December 2029.

(d) Convertible debenture

On April 29, 2022, the Company completed a non-brokered private placement (the "Private Placement") that includes a 10.0% unsecured convertible debenture in the principal amount of \$3,500 (the "Debenture"), as well as 3,076,923 pre-funded common share purchase warrants (each a "Pre-Funded Warrant") at a price of US\$0.39 per Pre-Funded Warrant, for aggregate gross proceeds of \$4,700, resulting in an increase of \$1,744 and \$70 to equity conversion feature and warrants, respectively. The Debenture will come due in 2032 and the principal amount then outstanding is convertible into common shares of the Company at a conversion price of \$0.79 per common share. Each Pre-Funded Warrant entitled the holder to purchase one common share at an additional exercise price of \$0.40 per common share (for a total common share issue price equal to \$0.79) for a period of 12 months from the date of issuance. As of March 31, 2026, the principal amount outstanding under the Debenture was \$2,525 and unamortized debt issuance costs was \$22. As of March 31, 2026, the Pre-Funding Warrant has expired and is no longer outstanding.

Fluent Corp.**Notes to the Condensed Interim Consolidated Financial Statements***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

(e) Insurance financing

In April 2025, the Company financed insurance in the amount of \$1,603, payable monthly with a nine-month term and a 9.25% interest rate. In September 2025, the Company financed workers compensation insurance in the amount of \$438, payable monthly with a ten-month term. As of March 31, 2026, the principal amount outstanding for financed insurance is \$128.

(f) Cultivation facility loan

On May 28, 2024, the Company made an amendment to the Tampa Rosa cultivation lease. Under the terms of the amendment, the Company is required to pay \$1,360 to the landlord (Nittany – see Note 19), subject to 13% simple interest, as consideration for a waiver by the landlord of the Company's breach of the lease by failing to obtain landlord's consent before altering structural support systems, HVAC systems and other parts of the building. Due to the terms of the lease, the loan is deemed to be unsecured. The Company is required to make at least six installment payments per year in the amount of at least \$45 each with payments first applied to outstanding interest, then applied to principal. Therefore, accumulated interest is deemed to be the current portion of notes payable, with principal being attributed to non-current notes payable. All remaining principal and interest shall be due and payable on May 31, 2027.

(g) Smith Convertible Note

As discussed in Note 12, the Company assessed the Smith Convertible Note and determined that it qualified as compound financial instrument. The compound financial instrument was therefore bifurcated between its debt and derivative liability components and measured separately. The debt component was initially recorded at fair value by discounting the cash flows at a market rate of interest. This resulted in the recognition of a \$6,389 liability within notes payable. The debt component of the Smith Convertible Note is subsequently measured at amortized cost, and accreted over the term to maturity of May 26, 2029 using the effective interest rate (16.2%).

During the three months ended March 31, 2026, the Company recognized \$286 of accretion expense within "finance costs, net" on the condensed interim consolidated statement of income (loss) and comprehensive income (loss) (year ended December 31, 2025 – \$1,058).

(h) Parks and Long loan

On July 20, 2025, the Company entered into a loan agreement with Parks and Long Healthcare Construction and Compliance LLC for the repayment of the Tampa Rosa cultivation facility. Terms are set to repay full construction balance of \$784, plus a 7% fee, for twelve equal monthly payments ending in June 2026.

(i) Interim Financing

On March 17, 2026, the Company entered into an amendment to its existing Credit Agreement which permitted the Company to, among other things, draw an additional \$6,000 on the date of the amendment in the form of a term loan (the "Interim Financing"). The Interim Financing bears a paid-in-kind interest rate of 13% per annum, an exit fee of an amount equal to two times the aggregate principal of the Interim Financing less the sum of the principal plus the paid-in-kind interest at maturity, and is due to mature on December 31, 2026. In connection with the amendment to the Credit Agreement the Company's lender reduced the quarterly liquidity covenant from \$4,500 to \$2,000 for the period of March 17, 2026 to November 24, 2028.

The Interim Financing is a financial liability measured at amortized cost. The Company recorded a financial liability at initial recognition of \$5,740, which represents the cash proceeds received of \$6,000 net of debt issuance costs of \$260. The Interim Financing is being amortized over the term to maturity of December 31,

Fluent Corp.**Notes to the Condensed Interim Consolidated Financial Statements***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

2026 at an effective interest rate of 95.4%. For the three months ended March 31, 2026, the Company recognized \$213 of accretion expense related to the Interim Financing within “finance costs, net” on the condensed interim consolidated statement of income (loss) and comprehensive income (loss) (year ended December 31, 2025 – not applicable).

15. Leases

As of March 31, 2026, the Company’s right-of-use assets and lease liabilities related to leased cultivation and manufacturing facilities, retail dispensaries, and corporate offices located in Florida, Texas, and New York. As of December 31, 2025, the Company’s right-of-use assets and lease liabilities also related to leased retail dispensaries in Pennsylvania.

(a) Right-of-use assets

	March 31, 2026	December 31, 2025
Cost		
Balance at beginning of period	\$ 72,597	\$ 68,156
Additions	-	27,702
Modifications	-	(41)
Terminations	(667)	(676)
Impairment	-	(20,521)
Disposal through sale of business component	-	(2,023)
Balance at end of period	\$ 71,930	\$ 72,597
Accumulated depreciation		
Balance at beginning of period	\$ 28,850	\$ 21,425
Additions	1,451	7,514
Terminations	-	(89)
Balance at end of period	\$ 30,301	\$ 28,850
Right-of-use-assets, net	\$ 41,629	\$ 43,747

(b) Lease liabilities

	March 31, 2026	December 31, 2025
Balance at beginning of period	\$ 71,456	\$ 56,478
Additions	-	23,204
Modifications	-	5
Terminations	(905)	(836)
Interest on lease liabilities	1,834	7,622
Interest payments on lease liabilities	(1,834)	(7,622)
Principal payments on lease liabilities	(1,277)	(4,764)
Disposal through sale of business component	-	(2,631)
Balance at end of period	\$ 69,274	\$ 71,456
Less current portion of lease liabilities	(5,581)	(5,474)
Lease liabilities, net of current portion	\$ 63,693	\$ 65,982

The Company’s lease obligation maturity has been disclosed within Note 18.

Fluent Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Amounts expressed in thousands of United States Dollars unless otherwise stated)

On April 17, 2025, a new cultivation site in Buffalo, NY commenced operations. The lease term is 180 months with monthly payments of \$201 due at the first of the month, with annual escalations of 3% per year. The Company applied an incremental borrowing rate of 9.62% at the lease commencement date to measure the lease liability. The Buffalo lease added \$22,643 in lease liability and \$27,129 in right-of-use assets. The increase in right-of-use asset includes \$4,486 of prepaid rent. On October 5, 2025, the lease term was modified to reduce the term by six months, which resulted in a remeasurement of the lease liability and corresponding adjustment to the right-of-use asset of \$145.

On October 1, 2025 in connection with the Company's annual testing of the New York CGU (see Note 8), an impairment charge of \$20,521 was allocated on a pro rata basis to the Company's right-of-use assets in New York. Accordingly, the right-of-use assets were written down to their recoverable values as of October 1, 2025.

16. Shareholders' deficit

	Share capital		
	Number of unrestricted common shares	Number of exchangeable shares	Amount
Balance, December 31, 2024	472,306,938	153,069,395	\$ 206,419
Shares issued for board fees (Note 16 b.)	4,407,063	-	-
Restricted stock units and options (Note 16)	4,479,623	-	-
Conversion of Exchangeable Shares (Note 16 a.)	153,069,395	(153,069,395)	-
Private placement issuance of shares (Note 16 e.)	3,500,000	-	210
Net loss	-	-	-
Other comprehensive loss, net of tax	-	-	-
Balance, December 31, 2025	637,763,019	-	\$ 206,629
Restricted stock units and options (Note 16)	-	-	-
Net loss	-	-	-
Other comprehensive loss, net of tax	-	-	-
Balance, March 31, 2026	637,763,019	-	\$ 206,629

Equity transactions

During the three months ended March 31, 2026 and year ended December 31, 2025, the following transactions took place involving shareholders' equity:

- In connection with the acquisition of RIV Capital, on December 18, 2024, the day immediately prior to closing, the Company issued 153,069,395 non-voting Fluent exchangeable shares (the "Exchangeable Shares") to The Hawthorne Collective, a previous creditor of RIV Capital, in exchange for the Hawthorne Notes receivable from RIV Capital. The Fluent Exchangeable Shares represented a newly created class of non-voting shares of the Company, and were convertible into common shares of Fluent on a one-for-one basis. As the Fluent Exchangeable Shares were convertible into a fixed number of the Company's common shares, the fixed-for-fixed criteria is met, and the Fluent Exchangeable Shares were classified as equity instruments within share capital of the Company. Fluent Exchangeable Shares include nomination, participation, and other rights in favor of The Hawthorne Collective until converted.

On July 18, 2025, The Hawthorne Collective exercised the conversion right attached to the Exchangeable Shares by converting all 153,069,395 of its Exchangeable Shares into common shares of the Company. Immediately prior to the conversion, The Hawthorne Collective did not beneficially own, directly or indirectly, or exercise control or direction over any common shares. Following the conversion, The Hawthorne Collective beneficially owned 153,069,395 common shares of the Company, representing

Fluent Corp.**Notes to the Condensed Interim Consolidated Financial Statements**

(Amounts expressed in thousands of United States Dollars unless otherwise stated)

approximately 25.2% of the issued and outstanding common shares as of the conversion date.

- b. On February 7, 2025, the Company issued to its Board of Directors' members 1,657,063 common shares as compensation for their service on the Board of Directors during the fourth fiscal quarter of fiscal 2024, resulting in an increase in share-based compensation reserve of \$117, which was accrued as of December 31, 2024. Such common shares of the Company were issued at fair value, being the trading price of the common shares on the CSE on the date of issuance.

On July 24, 2025, the Company issued to its Board of Directors' members 2,750,000 common shares as compensation for their service on the Board of Directors during the second fiscal quarter of 2025, resulting in an increase in share-based compensation reserve of \$138. Shares were issued at fair value, being the trading price on the date of issuance.

- c. On May 15, 2025, a holder of the Company's proportionate voting shares elected to convert 12,480 proportionate voting shares into 124,800 common shares of the Company. No consideration was received, and no impact was reported within the Company's share capital reserve.
- d. On May 29, 2025, 25,000 employee restricted stock units were redeemed for common shares of the Company. Common shares were withheld to cover employee income taxes associated with the redemption, which resulted in the net issuance of 19,500 common shares of the Company. No consideration was received, and no impact was reported within the Company's share capital reserve.

On July 16, 2025, 3,958,976 employee restricted stock units were redeemed for common shares of the Company. No consideration was received, and no impact was reported within the Company's share capital reserve.

On September 17, 2025, 80,000 employee restricted stock units were redeemed for common shares of the Company. No consideration was received, and no impact was reported within the Company's share capital reserve.

On December 31, 2025, 421,147 employee restricted stock units were redeemed for common shares of the Company. No consideration was received, and no impact was reported within the Company's share capital reserve.

- e. On September 6, 2025, the Company completed a non-brokered private placement offering of 3,500,000 common shares at a price of \$0.06 per share for aggregate gross proceeds of \$210. The private placement was completed solely with the Company's Interim Chief Executive Officer, in connection with his employment agreement with the Company.

Share capital

The Company is authorized to issue an unlimited number of common shares, each with no par value. As of March 31, 2026, the share capital of the Company is comprised of 613,261,139 common shares, 2,450,188 proportionate voting shares (each proportionate voting share is convertible into ten common shares), 17,533,150 stock options, 210,000 restricted stock units, and 0 exchangeable shares. For the purpose of the statement of changes in shareholders' equity, the proportionate voting shares have been included as part of common shares based on the 1 for 10 conversion ratio.

Earnings per share is calculated using the weighted average number of shares outstanding during the period on a basic and fully diluted basis. Out-of-the money options and warrants are excluded as dilutive instruments. As the Company was in a loss position from continuing operations for the three months ended March 31, 2026

Fluent Corp.
Notes to the Condensed Interim Consolidated Financial Statements
(Amounts expressed in thousands of United States Dollars unless otherwise stated)

and 2025, respectively, earnings per share from continuing operations for those periods was calculated using the basic number of outstanding shares.

	Three months ended March 31,	
	2026	2025
Weighted average number of shares - basic	637,763,019	473,275,109
Weighted average warrants	-	-
Weighted average convertible debt	36,392,300	31,396,370
Weighted average options	-	-
Weighted average restricted stock units	210,000	5,220,771
Weighted average exchangeable shares	-	153,069,395
Weighted Average Number of Shares - Diluted	674,365,319	662,961,645

During the three months ended March 31, 2026, 15,000,000 common share warrants expired unexercised (year ended December 31, 2025 – 12,500,000 common share warrants expired unexercised).

Restricted stock unit activity for the three months ended March 31, 2026 and year ended December 31, 2025 is as follows:

	March 31, 2026	December 31, 2025
Outstanding at beginning of period	210,000	5,220,770
Granted during the period	-	-
Forfeited during the period	-	(500,647)
Redeemed during the period ⁽¹⁾	-	(4,510,123)
Outstanding at end of period	210,000	210,000
Outstanding RSUs vested at end of period	-	-

⁽¹⁾ RSUs redeemed for common shares during the year ended December 31, 2025 were net of 5,500 common shares withheld to cover employee taxes.

Stock option activity for the three months ended March 31, 2026 and year ended December 31, 2025 is summarized below:

	W.A. Exercise Price	
Outstanding as of December 31, 2024	9,554,325	\$ 0.26
Granted	23,349,500	0.05
Forfeited	(6,941,500)	0.05
Expired	(4,087,450)	0.19
Outstanding as of December 31, 2025	21,874,875	\$ 0.12
Granted	-	-
Forfeited	(575,000)	0.05
Expired	(3,766,725)	0.31
Outstanding as of March 31, 2026	17,533,150	\$ 0.07
Options exercisable as of March 31, 2026	1,588,100	\$ 0.38

Fluent Corp.**Notes to the Condensed Interim Consolidated Financial Statements***(Amounts expressed in thousands of United States Dollars unless otherwise stated)***17. Expense by nature**

General and administrative expenses from continuing operations for the three months ended March 31, 2026 and 2025 are as follows:

	For the three months ended March 31,	
	2026	2025
General and administrative		
Legal and professional fees	\$ 1,678	\$ 1,195
Salaries and benefits	1,067	2,604
Insurance	568	411
Facility expense	5	32
Travel and entertainment	33	126
IT and cellular services	58	203
Payroll processing fees	64	88
Other	144	229
Total general and administrative	\$ 3,617	\$ 4,888

Sales and marketing expenses from continuing operations for the three months ended March 31, 2026 and 2025 are as follows:

	For the three months ended March 31,	
	2026	2025
Sales and marketing		
Salaries and benefits	\$ 3,220	\$ 4,598
Advertising expenses	36	276
Facility expense	1,037	564
Legal and professional fees	-	75
IT and cellular services	360	157
Travel and entertainment	26	45
Other	(146)	46
Total sales and marketing	\$ 4,533	\$ 5,761

18. Commitments and contingencies**(a) Commitments**

As at March 31, 2026, the Company had the following obligations on an undiscounted basis:

Fluent Corp.**Notes to the Condensed Interim Consolidated Financial Statements***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

	<u>< 1 year</u>	<u>1 to 3 years</u>	<u>3 to 5 years</u>	<u>> 5 years</u>	<u>Total</u>
Accounts payable	\$ 9,856	\$ -	\$ -	\$ -	\$ 9,856
Accrued expenses	7,454	-	-	-	7,454
Income taxes payable	-	-	-	-	-
Insurance financing	129	-	-	-	129
Notes payable	20,482	79,385	14,272	46	114,186
Lease obligations	12,452	23,248	32,349	44,220	112,269
Uncertain tax position	-	63,107	-	-	63,107
Total	\$ 50,374	\$ 165,740	\$ 46,621	\$ 44,266	\$ 307,000

The table above, which relates to the Company's financial obligations that are of determinable timing and amount, does not include Tranche 3 and Tranche 4 payments of the Special License Fee discussed in Note 13 as the timing of these payments is uncertain as at March 31, 2026.

Special License Fee

As discussed in Note 13, on May 9, 2025, changes were made to the New York regulations such that Tranche 3 and Tranche 4 payments of the Special License Fee were reduced from \$5,000 each to \$4,000 each. The payments remain payable upon the occurrence of certain events, which are subject to significant estimation uncertainty as they are tied to revenue milestones.

(b) Contingencies

The Company's operations are subject to a variety of local and state regulations. Failure to comply with one or more of those regulations could result in fines, restrictions on its operations, or losses of permits that could result in the Company ceasing operations. While management of the Company believes that the Company is in compliance with applicable local and state regulations as of March 31, 2026, medical marijuana regulations continue to evolve and are subject to differing interpretations. As a result, the Company may be subject to regulatory fines, penalties, or restrictions in the future.

(c) Claims and litigation

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of March 31, 2026, other than the lawsuit disclosed below, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company's operations. There are also no proceedings in which any of the Company's directors, officers or affiliates is an adverse party or has a material interest adverse to the Company's interest.

The Company is a defendant in a lawsuit relating to the termination of certain lease, service, and related agreements at a former prospective production facility. The plaintiffs have asserted multiple breach of contract claims through which they seek damages of approximately \$16,500. The Company has filed counterclaims in connection with this matter. The trial is currently scheduled for September 2026.

Based on information available at the reporting date, the Company believes the claims are without merit and intends to vigorously defend the action. The Company has estimated a possible range of loss, if any, to be between \$0 and \$2,000; however, the ultimate outcome of this matter is uncertain and an unfavorable outcome is possible. No provision has been recognized in the condensed interim consolidated financial statements.

Fluent Corp.**Notes to the Condensed Interim Consolidated Financial Statements***(Amounts expressed in thousands of United States Dollars unless otherwise stated)***19. Related-party transactions****Key management personnel compensation**

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling activities for the Company, directly and indirectly. The key management personnel of the Company are the members of the Company's executive management team and Board of Directors. For the three months ended March 31, 2026 and 2025, key management personnel compensation consisted of the following:

		For the three months ended	
		March 31,	
		2026	2025
Salary	\$	317	\$ 711
Option-based compensation		51	1
Share-based compensation (including RSUs)		2	15
All other compensation (including cash-settled Board fees)		180	138
Total	\$	550	\$ 865

Transactions with related parties*Board of Directors*

On January 8, 2024, the Company entered into a commercial lease with Nittany Management, LLC. Nittany Management, LLC is owned by the Company's current Executive Chairman. The lease is for real property located in Tampa Florida, that includes a 20,000 square foot building. The commercial lease is for a ten-year term, base rent under the lease is \$362 per year with 3% increases to base rent each year.

On May 28, 2024, the Company made an amendment to the January 8, 2024 commercial lease with Nittany Management, LLC in which an additional \$1,360 became due under the lease for the property located in Tampa Florida and will be repaid over a 3-year period accruing interest at 13% year.

On November 26, 2024, in connection with the closing of the Credit Agreement, the Company and William Smith, a director and the Executive Chair of the Company, and certain companies controlled by Mr. Smith, amended and restated the termination agreement dated May 30, 2024, which provided for, among other things, the termination of a floor share agreement outstanding at the time in exchange for the issuance of a 3-year \$6,500 subordinated promissory note, all to occur on the closing of the business combination with RIV Capital. Pursuant to the terms of the Amended Smith Transaction Termination Agreement, the Company paid to the Smith Group a \$500 cash fee and issued to the Smith Group a secured subordinated convertible note in an initial aggregate principal amount of \$6,500 due May 26, 2029, bearing interest of 15%, with all accrued but unpaid interest compounded quarterly, and prepayable with consent from the Smith Group. The Smith Convertible Note is subordinated in the right of payment to the Credit Agreement and the principal and accrued interest thereunder is convertible, at the discretion of the Smith Group, into common shares of the Company at a price of \$0.21 per share.

On February 7, 2025, the Company issued to its Board of Directors' members 1,657,063 common shares as compensation for their service on the Board of Directors during the fourth fiscal quarter of fiscal 2024, resulting in an increase in share-based compensation reserve of \$117, which was accrued as of December 31, 2024. Such common shares of the Company were issued at fair value, being the trading price of the common shares on the CSE on the date of issuance.

On July 24, 2025, the Company issued to its Board of Directors' members 2,750,000 common shares as compensation for their service of the Board of Directors during the second fiscal quarter of 2025, resulting in an increase in share-based compensation reserve of \$138. Such common shares of the Company were issued at fair value, being the trading price of the common shares on the CSE on the date of issuance.

On August 28, 2025, by way of a private placement, the Company's interim CEO, Dave Vautrin, purchased 3,500,000 common shares at a price of \$0.06 per share for aggregate gross proceeds of \$210.

The Company's former CEO is a partner at Robert O. Beasley, P.A. (the "Law Firm") which the Company engaged to represent the Company on various legal matters, including litigation, regulatory and general counsel services during the three months ended March 31, 2025. Services were provided in accordance with normal commercial terms; the Company's former CEO did not participate in the legal services rendered by the Law Firm. During the three months ended March 31, 2025, such period in which the Law Firm was a related party to the Company, the Company recognized legal expenses of \$23 to the Law Firm. The Law Firm is not a related party for the three months ended March 31, 2026.

20. Financial instruments and financial risk management

Financial instruments

The Company's financial instruments consist of cash, trade receivables, other investments, trade payables, accrued liabilities, derivative liabilities, notes payable, lease obligations, and other long-term liabilities.

Financial assets

- (i) Cash is comprised of deposits held in financial institutions and cash held at dispensary locations.
- (ii) Trade receivables represent amounts receivable from adult-use and medical cannabis

Financial liabilities

- (i) Notes payable are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market. Such liabilities are recognized initially at fair value at subsequently at amortized cost using the effective interest method. They are included in non-current liabilities, except for the portion due within 12 months of the reporting date, which are classified as current liabilities.
- (ii) Compound financial instruments issued by the Company comprise convertible notes payable that are convertible to share capital at the option of the holder. The liability component of the Company's compound financial instruments is measured initially at fair value or residual value, and is subsequently measured at amortized cost using the effective interest method. If the conversion feature meets the fixed-for-fixed criteria to be considered equity, the company records the value of the conversion option directly within equity and does not remeasure. If the conversion feature fails the fixed-for-fixed criteria, it is treated as an embedded derivative liability initially measured at fair value and subsequently remeasured at FVTPL.
- (iii) Other financial liabilities include the Company's trade payables and accrued liabilities. The effective interest method is used to calculate the amortized cost of a financial liability and allocates interest expense over the term to maturity.
- (iv) The effective interest rate is the rate that is used to discount estimated future cash receipts or payments over the expected life of the financial asset or liability.

Fair value measurement

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the reliability of the inputs to fair value measurements. The three levels of hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Inputs for the asset or liability that are not based on observable market data.

There have been no transfers between fair value levels during the year.

Financial risk management

The Company is exposed in varying degrees to a variety of financial instrument-related risks. The Board mitigates these risks by assessing, monitoring, and approving the Company's risk management processes:

(a) Credit risk

Credit risk is the risk of a potential loss to the Company if a customer or third party to a financial instrument fails to meet its contractual obligations. The maximum credit exposure as of March 31, 2026 and December 31, 2025 is the carrying amount of cash and trade receivables. All cash is placed with major U.S. financial institutions. Credit risk from due from trade receivables and note receivable arises from the possibility that amounts due become uncollectible.

The Company applies an expected credit loss model to all financial assets not held at FVTPL, where credit losses that are expected to transpire in future years are provided for, irrespective of whether a loss event has occurred as at the statement of financial position date. The Company is exposed to credit risk primarily through its trade accounts receivable and manages risk through the credit terms extended to its wholesale customers. The Company also monitors the cash-on-delivery retailers published by the New York Office of Cannabis Management ("OCM"). The Company assesses the collectability of its trade accounts receivable on a regular basis through an aging analysis, and utilizes a matrix to estimate a provision for expected credit losses ("ECLs"). The Company measures the loss allowance for trade accounts receivable using a simplified approach at an amount equal to the lifetime ECLs. As at March 31, 2026, the Company had estimated its provision for credit losses to be \$138 on its trade receivables (December 31, 2025 – \$122).

(b) Market risk

Market risk is the risk that the future cash flows or the fair value of a financial instrument will fluctuate because of changes in market conditions.

(i) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk.

Fluent Corp.

Notes to the Condensed Interim Consolidated Financial Statements

(Amounts expressed in thousands of United States Dollars unless otherwise stated)

The Company is not significantly exposed to other price risk with respect to its financial instruments, as their fair values and future cash flows are not impacted materially by fluctuations in market prices.

(ii) Currency risk

The consolidated operating results and consolidated financial position of the Company are reported in U.S. dollars. Some of the Company's financial transactions are denominated in currencies other than the U.S. dollar. The results of the Company's operations are subject to currency transaction and translation risks.

As of March 31, 2026 and December 31, 2025, the Company had no hedging agreements in place with respect to foreign exchange rates. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time as it deems its foreign currency exposure to be nominal.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's financial debts have fixed rates of interest and therefore expose the Company to a limited interest rate fair value risk.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by monitoring forecasted cash flows, reviewing ongoing capital requirements, and maintaining sufficient liquidity to meet its obligations as they come due.

As discussed in Note 2b, as at March 31, 2026, the Company determined that material uncertainty existed that may cast significant doubt around the Company's ability to continue as a going concern. Subsequent to March 31, 2026, the Company entered into a definitive arrangement agreement with Vireo in connection with the Vireo Arrangement and entered into an agreement to dispose of its Texas operations in connection with the Legacy Transaction, both of which the Company expects to improve its liquidity position. See Note 24 for further details.

(d) Regulatory risk

Notwithstanding that most of the states have legalized medical marijuana, there has been no change in U.S. federal banking laws related to the deposit and holding of funds derived from activities related to the marijuana industry. Given that U.S. federal law provides that the production and possession of cannabis is illegal, there is a strong argument that banks cannot accept for deposit funds from businesses involved with the marijuana industry. Consequently, businesses involved in the marijuana industry often have difficulty accessing the U.S. banking system and traditional financing sources. The inability to open bank accounts with certain institutions may make it difficult to operate the businesses of the Company and leaves their cash holdings vulnerable.

Because the cannabis industry remains illegal under U.S. federal law, any property owned by participants in the cannabis industry which are either used in the course of conducting such business, or are the proceeds of such business, could be subject to seizure by law enforcement and subsequent civil asset forfeiture. Even if the owner of the property was never charged with a crime, the property in

Fluent Corp.**Notes to the Condensed Interim Consolidated Financial Statements***(Amounts expressed in thousands of United States Dollars unless otherwise stated)*

question could still be seized and subject to an administrative proceeding by which, with minimal due process, it could be subject to forfeiture.

21. Capital management

The Company's objective is to maintain a sufficient capital base so as to: (i) maintain investor, creditor, and customer confidence; (ii) sustain future development of the business through both organic and acquisition-based growth; and (iii) provide the ability to continue as a going concern. The Company considers its capital structure to include shareholders' deficit and interest-bearing debt. Total managed capital is as follows:

	March 31, 2026	December 31, 2025
Notes payable	\$ 74,552	\$ 68,406
Shareholders' deficit	(95,793)	(80,960)
Total managed capital	\$ (21,241)	\$ (12,554)

The Company manages its capital structure in accordance with changes in economic conditions. In order to maintain or adjust its capital structure, the Company may elect to issue or repay financial liabilities, issue shares, repurchase shares, pay dividends or undertake any other activities as deemed appropriate under the specific circumstances. Under the Company's Credit Agreement, the Company is required to maintain an unrestricted cash balance of \$2,000 at each quarter-end. Management reviews its capital management approach on an ongoing basis.

22. Finance costs, net

The Company's finance costs from continuing operations for the three months ended March 31, 2026 and 2025 are as follows:

	For the three months ended March 31, 2026	2025
Interest income	\$ (7)	\$ (234)
Interest expense	1,943	2,265
Accretion costs	1,179	831
Interest on lease liabilities	1,834	1,479
Loan fees	192	-
Finance costs, net	\$ 5,141	\$ 4,341

23. Supplemental cash flow information

The following table presents supplemental cash flow information for the three months ended March 31, 2026 and 2025:

	For the three months ended March 31, 2026	2025
Income taxes paid	\$ -	\$ 1,375
Interest paid	\$ 2,033	\$ 2,281

24. Subsequent events

On April 29, 2026, the Company and Vireo announced that they entered into a definitive arrangement agreement (the "Arrangement Agreement") pursuant to which Vireo agreed to acquire all of the issued and outstanding common shares of the Company (after conversion of all (i) proportionate voting shares of the Company and (ii) non-voting, non-participating exchangeable shares of the Company) in exchange for Vireo Shares (as defined below) (the "Vireo Arrangement"). Pursuant to the terms of the Arrangement Agreement, each shareholder of the Company will receive 0.0705359 of a subordinate voting share of Vireo (each whole share, a "Vireo Share") in exchange for each common share of the Company (after conversion of all (i) proportionate voting shares of the Company and (ii) non-voting, non-participating exchangeable shares of the Company) held.

Closing of the Vireo Arrangement is subject to the receipt of all required court, shareholder, regulatory, and other third-party approvals, the completion of the Equitization (as defined below), and the satisfaction of certain other closing conditions customary in transactions of this nature, which are expected to be completed during the fourth quarter of 2026.

In connection with the Vireo Arrangement, the Company entered into a credit equitization agreement (the "Equitization Agreement") with certain lenders to its existing Credit Agreement. Pursuant to the terms of the Equitization Agreement, among other things, the parties have agreed to exchange an aggregate of \$30,000 outstanding indebtedness owing under the Credit Agreement for common shares of the Company (the "Equitization"). Such common shares of the Company will, subject to the terms of the Equitization Agreement, be issuable to such lenders immediately prior to the closing of the Vireo Arrangement and will be exchanged into Vireo Shares upon completion of the Vireo Arrangement.

On May 19, 2026, the Company entered into a consulting services agreement with Vireo, pursuant to which Vireo will provide certain advisory services for the Company's Florida business. The Company will pay a consulting fee of \$25 per month, with fees for the first two months waived.

On May 1, 2026, the Company entered into a definitive purchase agreement (the "Purchase Agreement") with Legacy Therapeutics, LLC ("Legacy"), pursuant to which Legacy agreed to acquire 100% of the issued and outstanding equity interests in Consortium Texas, LLC (the "Legacy Transaction"). The Legacy Transaction contemplates the sale of the Company's Texas business operations, which includes Consortium Texas's license, cultivation, manufacturing and delivery business in Schulenburg, Texas, and the Houston retail operations.

Pursuant to the terms of the Purchase Agreement, the aggregate purchase price payable by Legacy is \$30,000, of which \$25,000 will be payable at closing and an amount equal to \$2,500 will be payable on each of the first and second anniversaries of the closing date. The Legacy Transaction is subject to the satisfaction of certain customary closing conditions and applicable regulatory approvals. The Company intends to use the proceeds from the Legacy Transaction primarily to repay a portion of its existing senior secured debt, with may also use the remaining proceeds for working capital and general corporate purposes. In connection with the Legacy Transaction, the Company agreed to provide temporary transition services and branding support to Legacy subsequent to closing.

On April 23, 2026, the U.S. Department of the Treasury and IRS announced their intention to issue guidance addressing the federal tax consequences associated with the rescheduling of medical cannabis under the U.S. Controlled Substances Act. The announcement follows the final order issued by the U.S. Department of Justice to reschedule medical cannabis from Schedule I to Schedule III.

As a result of the rescheduling, the Company's medical cannabis operations are expected to no longer be subject to the limitations under IRC Section 280E upon the effective date of the applicable guidance.

Fluent Corp.**Notes to the Condensed Interim Consolidated Financial Statements**

(Amounts expressed in thousands of United States Dollars unless otherwise stated)

Accordingly, the Company expects a reduction in future federal income tax expense associated with its medical cannabis operations as associated uncertain tax position liability. The Company is currently evaluating the full financial statement impact of the regulatory change, including the impact on current and deferred income taxes.

Subsequent to March 31, 2026, the Company:

- discontinued operations at the Ruskin cultivation facility in Florida and vacated the lease on April 1, 2026;
- provided 90-day notice to employees that it plans to cease operations at its Chestertown facility in New York; and
- ceased operations at its Manhattan and Kingston retail locations in New York.

FLUENT Corp.

SELECTED FINANCIAL INFORMATION AND MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("**MD&A**") provides information concerning the financial condition and results of operations of FLUENT Corp. (the "**Company**") for the three months ended March 31, 2026.

This MD&A is provided as of May 31, 2026, unless otherwise stated, and should be read along with the Company's unaudited condensed interim consolidated financial statements for the three months ended March 31, 2026 and 2025 (the "**Interim Consolidated Financial Statements**"), including the accompanying notes, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"). The Interim Consolidated Financial Statements have not been reviewed by the Company's auditors.

This MD&A was prepared with reference to National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators.

The Interim Consolidated Financial Statements include the accounts of the Company and its wholly owned subsidiaries and the Company's interests in affiliated companies (see "Basis of consolidation" section within this MD&A). All intercompany balances and transactions have been eliminated on consolidation.

This MD&A includes non-IFRS financial measures, such as "Adjusted gross profit", "Adjusted gross margin", "EBITDA", and "Adjusted EBITDA", as defined below. The management of the Company believes that these non-IFRS financial measures, in addition to conventional measures prepared in accordance with IFRS, provide information that is helpful to understand the results of operations and financial condition of the Company. The objective is to present readers with a view of the Company from the management's perspective by interpreting the material trends and activities that affect the operating results, liquidity, and financial position of the Company. These measures are not necessarily comparable to similarly titled measures used by other companies. Reconciliations of these non-IFRS financial measures are presented in this MD&A.

"Gross profit before fair value adjustments" is gross profit plus (minus) the changes in fair value of biological assets. "Gross margin before fair value adjustments" is "gross profit before fair value adjustments" divided by revenue. "EBITDA" is net income (loss), plus (minus) interest expense (income) and finance transactions costs, plus taxes, plus depreciation and amortization. "Adjusted EBITDA" is equal to EBITDA plus (minus) the changes in fair value of biological assets, plus (minus) the changes in fair market value of derivatives, plus (minus) certain one-time non-operating expenses, as determined by management.

FLUENT Corp. was incorporated under the laws of the Province of Ontario, Canada pursuant to the *Business Corporations Act* (Ontario) ("**OBCA**") on August 31, 2018, under the name "Cansortium Inc." On February 5, 2025, the Company amended the Articles to change its name from "Cansortium Inc." to "FLUENT Corp." The Company's registered office is located at 365 Bay Street, Suite 800, Toronto, Ontario, M5H 2V1. The Company's common shares are listed on the Canadian Securities Exchange ("**CSE**") under the trading symbol "FNT.U" and on the OTCQB under the trading symbol "CNTMF".

By their nature, the Interim Consolidated Financial Statements do not include all of the information required for full annual financial statements. Accordingly, this MD&A should be read in conjunction with the Company's audited consolidated financial statements for the years ended December 31, 2025, and 2024, and the notes thereto (the "**Annual Consolidated Financial Statements**"), and the related MD&A (the "**Annual MD&A**"), each dated April 29, 2026. Generally, information contained within the Annual MD&A is not discussed in this MD&A if it remains substantially unchanged.

Additional information relating to the Company, including the Company's audited year-end financial results and unaudited quarterly financial results, are available under the Company's profile on SEDAR+ (www.sedarplus.ca).

Unless otherwise noted, all financial information in this MD&A is presented in thousands of dollars, and all amounts are expressed in United States ("**U.S.**") dollars.

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains forward-looking statements that relate to the Company's current expectations and views of future events. All statements, other than statements of historical facts, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements.

In some cases, these forward-looking statements can be identified by words or phrases such as “may”, “might”, “will”, “expect”, “anticipate”, “estimate”, “intend”, “plan”, “indicate”, “seek”, “believe”, “predict” or “likely”, or the negative of these terms, or other similar expressions intended to identify forward-looking statements. The Company has based these forward-looking statements on its current expectations and projections about future events, financial outlook, and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements may include, among other things, statements relating to the Vireo Arrangement (as defined herein) and the Legacy Transaction (as defined herein), including the timing of completion of such transactions and the satisfaction or waiver of the conditions to completing each such transaction; future financial conditions, results of operations, plan, objectives, performance, or business developments.

Forward-looking statements are based on certain assumptions and analyses made by the Company considering the experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate and are subject to risks and uncertainties. In making the forward-looking statements included in this MD&A, the Company has made various material assumptions, including but not limited to the performance of the Company’s business and operations; the receipt and/or maintenance by the Company of required licenses and permits in a timely manner or at all; the intention to grow the business and operations of the Company; the expected growth in the number of the people using medical cannabis products; expectations of market size and growth in the United States; the competitive conditions and increasing competition of the cannabis industry; applicable laws, regulations and any amendments thereof; the competitive and business strategies of the Company; the Company’s operations in the United States, the characterization and consequences of those operations under federal United States law, and the framework for the enforcement of medical and adult use cannabis and cannabis-related offenses in the United States; the completion of additional cultivation and retail facilities; the general economic, financial market, regulatory and political conditions in which the Company operates; the United States regulatory landscape and enforcement related to cannabis, including political risks; anti-money laundering laws and regulation; other governmental and environmental regulation; public opinion and perception of the cannabis industry; the enforceability of contracts; reliance on the expertise and judgment of senior management of the Company; proprietary intellectual property and potential infringement by third parties; the concentrated voting control of the Company by certain shareholders of the Company and the unpredictability caused by the capital structure; risks inherent in an agricultural business; risks relating to energy costs; risks associated to cannabis products manufactured for human consumption including potential product recalls; reliance on key inputs, suppliers and skilled labor; cybersecurity risks; ability and constraints on marketing products; fraudulent activity by employees, contractors and consultants; tax and insurance related risks; risk of litigation; conflicts of interest; security risks; risks related to future acquisitions or dispositions; sales by existing shareholders; limited research and data relating to cannabis; the medical benefits, viability, safety, efficacy and social acceptance of cannabis; the availability of financing opportunities, the ability to make payments on existing indebtedness; risks related to pricing pressures in the states in which the Company operates; risks associated with economic, political and social conditions; risks related to contagious disease; the ability of the parties to satisfy, in a timely manner, the conditions to the completion of the Vireo Arrangement and the Legacy Transaction; and other risks described in this MD&A and described from time to time in documents filed by the Company with Canadian securities regulatory authorities. Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements. Whether actual results, performance or achievements will conform to the Company’s expectations and predictions is subject to several known and unknown risks, uncertainties, assumptions, and other factors, including risks described in the public documents of the Company available at www.sedarplus.ca.

The Company’s forward-looking statements are based on the reasonable beliefs, expectations, and opinions of management on the date of this MD&A (or as of the date they are otherwise stated to be made). Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results that were not anticipated, estimated, or intended. There is no assurance that such 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. The Company does not undertake to update or revise any forward-looking statements except to the extent required by applicable securities laws.

Basis of Consolidation

This MD&A includes the accounts of the Company and its wholly and majority-owned subsidiaries. Subsidiaries over which the Company has control are fully consolidated from the date control commences until the date control ceases. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights that are currently exercisable are taken into account. Non-controlling interests in the equity of consolidated subsidiaries are shown separately in the consolidated statement of operations and in the consolidated statement of changes in shareholders' equity. All intercompany balances and transactions are eliminated on consolidation. The information below lists the Company's subsidiaries that are consolidated in the Condensed Interim Consolidated Financial Statements and the ownership interest held as of March 31, 2026 and December 31, 2025.

	% Ownership March 31, 2026	% Ownership December 31, 2025
Consortium Holdings LLC	100%	100%
Consortium Pennsylvania, LLC	-	-
Consortium Puerto Rico, LLC	100%	100%
Consortium Texas, LLC	100%	100%
Consortium Canada Holdings Inc.	100%	100%
Fluent Servicing, LLC	100%	100%
Consortium Brazil Ltda.	-	100%
Consortium Florida, LLC	100%	100%
Consortium Colombia S.A.S.	50%	50%
Spirit Lake Road Nursery, LLC	100%	100%
Cavern Capital Holdings LLC	100%	100%
Fluent Hemp LLC	100%	100%
Consortium International Inc.	100%	100%
Trick Tail Capital LLC	100%	100%
RIV Capital Inc.	100%	100%
2683922 Ontario Inc.	100%	100%
RIV Capital US Corp.	100%	100%
RIV Capital US Services LLC	100%	100%
Allgro Holdings LLC	100%	100%
Etain, LLC	100%	100%

On December 31, 2025, the Company completed the sale of its Pennsylvania operations for cash proceeds of \$12,500. Further details provided under "Business Overview".

On May 1, 2026, the Company announced that it entered into a definitive agreement to sell Consortium Texas, LLC ("Consortium Texas"). The transaction is subject to applicable regulatory approvals and the satisfaction of certain other customary closing conditions. Further details are provided under "Subsequent Events"

Business Overview

The Company, through its subsidiaries, is licensed to produce and sell medical cannabis in Florida and Texas and was licensed to sell medical cannabis in Pennsylvania, prior to the disposition of its Pennsylvania operations on December 31, 2025.

The Company, through one of its subsidiaries, is also licensed to sell hemp-derived cannabis products in Florida, although that accounts for a negligible amount of business activity during the reporting period.

Through its acquisition of RIV Capital Inc. on December 19, 2024, the Company is licensed to produce and sell both medical and adult-use cannabis in New York.

The Company discontinued its operations in Puerto Rico, Canada and Colombia during 2019. The Company discontinued its operations in Brazil during 2022.

In the United States, licensing for medical or recreational cannabis cultivation, production, sale, and use is determined at a state level basis and not federally. Cultivation, sale and use of cannabis is illegal under federal law in the United States pursuant to the U.S. Controlled Substances Act of 1970. Each state which allows the production, sale and/or use of cannabis has its own

legislation, rules, regulations, and policies with respect to the licensing of medical or recreational cannabis-related activities. The Company believes that its operations are in full compliance with all applicable state and local laws, regulations, and licensing requirements.

RIV Acquisition

On May 30, 2024, the Company and RIV Capital Inc. ("**RIV Capital**") entered into a definitive arrangement agreement pursuant to which the Company would acquire all of the issued and outstanding common shares of RIV Capital in exchange for common shares of the Company (the "**RIV Transaction**"). RIV Capital, through its subsidiary Etain LLC, is a vertically integrated cannabis company licensed in New York state to cultivate, manufacture, process, and distribute both medical and adult-use cannabis in both retail and wholesale markets. Through the RIV Transaction, the Company was able to gain access to cannabis operations in New York state and had access to RIV Capital's cash balance, which has enabled the Company to continue its growth objectives.

On December 19, 2024, following receipt of requisite shareholder and regulatory approvals, the RIV Transaction was effected and RIV Capital shareholders received 1.245 Fluent common shares in exchange for each RIV Capital common share held.

Florida

Most of the Company's existing business takes place in the State of Florida.

In the State of Florida, the Department of Health, Office of Medical Marijuana Use (the "**OMMU**") issues licenses to Medical Marijuana Treatment Centers to cultivate, process and sell medical cannabis (referred to as an "MMTC License"). The Company operates under an MMTC License issued to Spirit Lake Road Nursery, LLC, a wholly owned indirect subsidiary of the Company.

As of the date of this MD&A, the Company operates cultivation facilities in Zolfo Springs, FL (the "**Sweetwater Facility**"), Polk City, FL (the "**Polk Facility**"), Ruskin, FL (the "**Ruskin Facility**"), Tampa, FL (the "**Rosa Facility**"), and a cultivation and production facility in Tampa, FL (the "**Tampa Facility**"). The Tampa Facility produces various products ranging from topicals, inhalation vaporizers, oral, smoking and edibles.

The Tampa Facility is approximately 22,000 sq. ft. of indoor cultivation which includes 20,160 sq. ft. of flowering canopy. In the second quarter of 2022, the Company added 24,225 sq. ft. of building to the existing Tampa Facility with approximately 9,000 sq. ft. of new cultivation area and approximately 15,000 sq. ft. of new production and office space.

The Sweetwater Facility commenced operations in the fourth quarter of 2020 and includes 26,000 sq. ft. of indoor cultivation, production, administrative space, and a 40,000 sq. ft. greenhouse, on 15 acres. Current cultivation is 15,400 sq. ft. of indoor flowering canopy, with its first harvesting occurring in March 2021. Additionally, the Sweetwater Facility has expansion capacity for up to seven additional greenhouses.

The Polk Facility commenced operations in the third quarter of 2022 and includes a 27,000 sq. ft. greenhouse, on 72 acres with its first harvesting occurring in December 2022. Additionally, the Polk Facility has expansion capacity for up to five acres of additional greenhouses.

The Ruskin Facility commenced operations in the first quarter of 2024 and includes a 13,824 sq. ft. of indoor flowering canopy, with its first harvesting occurring in second quarter of 2024. Subsequent to the three-month period ended March 31, 2026, the Company discontinued operations at the Ruskin Facility and vacated the lease on April 1, 2026.

The Rosa Facility commenced operations on May 8, 2025 and includes approximately 9,300 sq. ft. of indoor canopy and completed its first harvest in September 2025.

As of March 31, 2026, the Company operated 32 dispensaries throughout the State of Florida.

Texas

The Company owns and operates approximately 1,300 sq. ft. of cultivation space in climate and humidity-controlled C-containers which include 1,920 sq. ft. of flowering canopy over 2 levels. The Company completed construction of its first pick-up and education center in Houston, Texas which opened in the first quarter of 2026. The Company has rights to expand the cultivation facility up to 400,000 additional sq. ft. as demand requires.

See “Subsequent Events” discussion within this MD&A for details regarding the Company’s pending disposition of its Texas operations through the Legacy Transaction.

Pennsylvania

Throughout 2024 and 2025, the Company operated three dispensaries in the south-central region of Pennsylvania for the sale of medical cannabis. The Company’s dispensing permit allowed for the purchase of finished products from permitted processors in the Commonwealth of Pennsylvania.

On December 31, 2025, the Company completed the sale of its Pennsylvania operations for cash proceeds of \$12,500 (the “**Pennsylvania Disposition**”). Pursuant to the terms of the definitive agreement entered into in connection with the Pennsylvania Disposition, the purchase price was subject to adjustment pursuant to a customary working capital adjustment. The working capital adjustment did not result in a change to the purchase price.

The Pennsylvania Disposition included all of the assets and liabilities held within the Company’s wholly owned subsidiary, Consortium Pennsylvania, LLC, and comprises the entire Pennsylvania cannabis operating segment. The Company determined that the Pennsylvania operating segment constitutes a component of the Company as it represents a separate major geographical area of operation. Accordingly, the results of the Pennsylvania cannabis operating segment have been presented as results from discontinued operations for the comparative three-month period ending March 31, 2025.

New York

As of the date of this MD&A, the Company operates a cultivation and production facility in Buffalo, NY (the “**Buffalo Facility**”), and a cultivation and production facility in Chestertown, NY (the “**Chestertown Facility**”).

The Chestertown Facility was constructed in 2015, and originally comprised of approximately 20,000 square feet, including approximately 8,100 square feet of rooms dedicated for flowering and includes two smaller extraction labs and a larger production floor for the manufacture of cannabis products (dried flower, pre-rolls, vaporizers, capsules, tinctures, powders, lozenges, lotions, and oral sprays).

In 2023, the Chestertown Facility completed a significant expansion, adding more than 40,000 square feet of additional cultivation, lab, and manufacturing space, including approximately 28,800 square feet of additional flowering rooms spanning eight new hybrid greenhouse bays, as well as additional production space to meet the anticipated demands of the adult-use market in New York.

Subsequent to the three-month period ended March 31, 2026, the Company provided 90-day notice to employees that it would wind-down operations at its Chestertown Facility.

On August 23, 2022, RIV Capital entered into a lease agreement with Laborers Way 1 LLC, an affiliate of leading California-based developer Zephyr (the “**Zephyr Lease**”), for the development and operation of the Buffalo Facility. Under the lease agreement, the Company leases two buildings totalling approximately 75,000 square feet, including a 68,000 square foot indoor cultivation facility.

On August 20, 2025, the Company announced the commencement of operations at the Buffalo Facility. Sales from the first harvest at the Buffalo Facility occurred in December 2026.

As of March 31, 2026, the Company operated three co-located adult-use and medical cannabis dispensaries in the State of New York. Under the New York Marijuana Regulation and Tax Act (“MRTA”) the Company may open an additional five medical dispensaries. Subsequent to the three-month period ended March 31, 2026, the Company ceased operations at its Manhattan and Kingston retail locations in New York.

Products and Brands

The Company’s cannabis products are offered in oral drops, capsule, topical, syringe, dried flower, pre-roll, ground flower, cartridge, concentrate and edible forms, along with accessories. The Company’s products have shifted from marketing mainly under the FLUENT™ brand name, launched in May 2019, to a house of brands that includes Bag-O, FLUENT, Hyer Kind, Knack, MOODS, Wandr, as well as licensing of the Connected and Alien Labs brands. Prior to the launch of the FLUENT brand the Company operated under the Knox Medical brand.

Throughout 2025, in Pennsylvania, the Company’s product portfolio included a variety of third-party branded medical cannabis products.

Management's Discussion & Analysis of the Company for the three months ended March 31, 2026 and 2025

FINANCIAL HIGHLIGHTS

(all figures in 000's)

Financial results	Three months ended			Variance
	March 31, 2026	March 31, 2025		
Revenue	\$ 17,888	\$ 22,905	\$	(5,017)
Gross profit before fair value adjustments ⁽¹⁾	\$ 5,505	\$ 11,100	\$	(5,595)
Gross margin before fair value adjustments ⁽¹⁾	30.8%	48.5%		-17.7%
Gross profit	\$ 1,652	\$ 13,824	\$	(12,172)
Gross margin	9.2%	60.4%		-51.1%
Selling, general and administrative expenses	\$ 9,874	\$ 12,527	\$	(2,653)
EBITDA ⁽¹⁾	\$ (2,285)	\$ 6,982	\$	(9,267)
Adjusted EBITDA ⁽¹⁾	\$ 1,270	\$ 4,052	\$	(2,782)
Net income (loss) from continuing operations	\$ (14,923)	\$ (9,054)	\$	(5,869)
Net income (loss) from discontinued operations	\$ -	\$ 304	\$	(304)
Net loss per share basic and diluted - continuing operations	\$ (0.02)	\$ (0.02)	\$	(0.00)
Net earnings per share basic and diluted - discontinued operations	\$ -	\$ 0.00	\$	(0.00)
Statement of financial position	March 31, 2026	December 31, 2025		Variance
Total assets	\$ 140,036	\$ 148,582	\$	(8,546)
Total long-term liabilities	205,638	204,338	\$	1,300
Total liabilities	\$ 235,829	\$ 229,542	\$	6,287

Notes:

(1) Adjusted gross profit, adjusted gross margin, EBITDA and Adjusted EBITDA are non-IFRS financial measures that do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Refer to the reconciliation to IFRS and quarterly results of operations sections below for reconciliation to IFRS. EBITDA and Adjusted EBITDA represent both continuing and discontinued operations.

QUARTERLY RESULTS OF OPERATIONS (three months ended March 31, 2026 and 2025)

(all figures in 000's)

	Three months ended		
	March 31, 2026	March 31, 2025	Variance
Revenue, net of discounts	\$ 17,888	\$ 22,905	\$ (5,017)
Cost of goods sold	12,383	11,805	578
Gross profit before fair value adjustments ⁽¹⁾	5,505	11,100	(5,595)
Gross margin before fair value adjustments ⁽¹⁾	30.8%	48.5%	-17.7%
Realized fair value of increments on inventory sold	(340)	(301)	(39)
Unrealized change in fair value of biological assets	(3,513)	3,025	(6,538)
Gross profit	1,652	13,824	(12,172)
Gross margin	9.2%	60.4%	-51.1%
Expenses			
General and administrative	3,617	4,888	(1,271)
Sales and marketing	4,533	5,761	(1,228)
Depreciation and amortization	1,634	1,853	(219)
Share-based compensation	90	25	65
Total expenses	9,874	12,527	(2,653)
Loss from operations	(8,222)	1,297	(9,519)
Other expense (income), net			
Finance costs, net	5,141	4,341	800
Change in fair value of derivative liability	(985)	(457)	(528)
Loss on disposal of assets	129	-	129
Gain on disposition of finance lease	(238)	-	(238)
Other expense (income)	(197)	12	(209)
Total other expense, net	3,850	3,896	(46)
Loss before taxes	(12,072)	(2,599)	(9,473)
Income taxes	2,851	6,455	(3,604)
Net income (loss) from continuing operations	(14,923)	(9,054)	(5,869)
Net income (loss) from discontinued operations	-	304	(304)
Net loss	(14,923)	(8,750)	(6,173)
Comprehensive loss	(14,923)	(8,750)	(6,173)

Revenue

Consolidated revenue from continuing operations for the three months ended March 31, 2026 decreased 21.9% to \$17,888 compared to \$22,905 for the same period last year. Revenue for the three months ended March 31, 2026, consisted primarily of revenue generated through the Company's 31 Florida dispensaries and three dispensaries and wholesale revenue in New York.

Gross profit / Adjusted gross profit

Adjusted gross profit from continuing operations for the three months ended March 31, 2026 was \$5,505, or 30.8% of revenue, versus adjusted gross profit of \$11,100, or 48.5% of revenue, for the same period last year.

Gross profit from continuing operations for the three months ended March 31, 2026 was \$1,652, or 9.2% of revenue, versus gross profit of \$13,824 or 60.4% of revenue, for the same period last year. The variance in gross profit is the result of changes in fair value of biologic assets and decrease in revenue due to price compression in the Florida markets.

Total Expenses

Consolidated selling, general and administrative ("SG&A") expenses for continuing operations for the three months ended March 31, 2026 and 2025 were as follows:

	Three months ended		
	March 31, 2026	March 31, 2025	Variance
General and administrative expenses	\$ 3,617	\$ 4,888	\$ (1,271)
Selling and marketing expenses	4,533	5,761	(1,228)
Depreciation and amortization	1,634	1,853	(219)
Share-based compensation	90	25	65
Total expenses	\$ 9,874	\$ 12,527	\$ (2,653)

Total expenses of \$9,874 for the three months ended March 31, 2026 decreased by \$2,653 compared to the same period last year. This decrease was primarily driven by a decrease of \$1,271 of general and administrative expenses, accompanied by a \$1,228 decrease in selling and marketing expenses, and a \$219 decrease of depreciation and amortization expenses. These reductions in expenditure were slightly offset by a marginal increase in share-based compensation of \$65 when compared to the same period last year.

General and administrative expenses

As noted above, total general and administrative expenses of \$3,617 decreased by \$1,271 for the three months ended March 31, 2026, compared to \$4,888 for the same period last year. Decreases in general and administrative expenses were primarily attributed to decreases in salaries and benefits associated with a reduced headcount due to store closures in the second half of 2025.

Selling and marketing expenses

Selling and marketing expenses of \$4,533 decreased by \$1,228 for the three months ended March 31, 2026, compared to \$5,761 for the same period last year. This was primarily driven by a decrease in salaries and benefits associated with a reduction in headcount due to store closures in the second half of 2025.

Selling and marketing expenses as a percentage of revenue is 25.3% for the three months ended March 31, 2026, versus 25.2% for the same period last year.

Depreciation and amortization

Decrease in depreciation and amortization expense for the three-month period ended March 31, 2026, compared to the three-month period ended March 31, 2025, is primarily driven by a reduction in depreciation calculation for New York assets due to the impairment recognized in the fourth quarter of fiscal 2025.

Share-based compensation

Share-based compensation increased by \$65 for the three-month period ended March 31, 2026 compared to the three months ended March 31, 2025, driven primarily by options granted to certain employees and directors in July 2025 and September 2025 that did not contribute any expense in the comparative three-month period ended March 31, 2025.

Other expense, net

Other expense, net for the three months ended March 31, 2026 and 2025 was comprised of the following:

	Three months ended		
	March 31, 2026	March 31, 2025	Variance
Finance costs, net	\$ 5,141	\$ 4,341	\$ 800
Change in fair value of derivative liability	(985)	(457)	(528)
Loss on disposal of assets	129	-	129
Gain on disposition of finance lease	(238)	-	(238)
Other expense (income)	(197)	12	(209)
Total other expense, net	\$ 3,850	\$ 3,896	\$ (46)

Total other expense, net for continuing operations during the three months ended March 31, 2026 consists of a net expense of \$3,850, compared to a net expense of \$3,896 for the three months ended March 31, 2025. Other expense for the three months ended March 31, 2026, consists of finance costs of \$5,141, and a net loss on disposal of assets of \$129, offset by the change in fair value of derivative liability of \$985, gain on disposition of finance lease of \$238, and other income of \$197.

Total other expense, net for continuing operations for the three months ended March 31, 2025, consists of finance costs of \$4,341 and other expense of \$12, offset by a change in fair value of derivative liability of \$457.

Finance costs, net of \$5141 for the three months ended March 31, 2026, were comprised of interest expense of \$1,943, accretion costs of \$1,179, right-of-use interest expense of \$1,834, and loan fees of \$192, partially offset by \$7 related to interest income.

Finance costs of \$4,341 for the three months ended March 31, 2025, were primarily comprised of interest expense of \$2,265, accretion costs of \$831, and right-of-use interest expense of \$1,479, which were offset by \$234 of interest income.

During the three months ended March 31, 2026, the Company recognized a \$985 gain in fair value on revaluation of the derivative liability associated with the Smith Convertible Note (as defined below), versus a gain on the revaluation of the derivative liability of \$457 for the same period last year.

EBITDA

EBITDA is a non-IFRS financial measure that does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. The Company calculates EBITDA from net income (loss), plus (minus) interest expense (income), plus taxes, plus depreciation and amortization, as follows:

	Three months ended		
	March 31, 2026	March 31, 2025	Variance
Net loss - continuing and discontinued ops	\$ (14,923)	\$ (8,750)	\$ (6,173)
Interest expense	5,141	4,341	800
Income taxes	2,851	6,455	(3,604)
Depreciation and amortization	4,646	4,383	263
Interest expense, income taxes, depreciation and amortization - discontinued operations	-	553	(553)
EBITDA - continuing and discontinued ops	\$ (2,285)	\$ 6,982	\$ (9,267)

Adjusted EBITDA

Adjusted EBITDA is a non-IFRS financial measure that does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. The Company calculates adjusted EBITDA from EBITDA plus (minus) unrealized loss (gain) on embedded derivatives, plus (minus) certain one-time non-operating expenses, as determined by management. The reconciliation from EBITDA to Adjusted EBITDA is as follows:

	Three months ended		
	March 31, 2026	March 31, 2025	Variance
EBITDA - continuing and discontinued ops	\$ (2,285)	\$ 6,982	\$ (9,267)
Change in fair value of biological assets	3,853	(2,724)	6,577
Change in fair market value of derivative	(985)	(457)	(528)
Loss on disposal of assets, net	129	-	129
Gain on disposition of finance lease	(238)	-	(238)
Professional fees ⁽¹⁾	656	81	575
One-time employee costs ⁽²⁾	247	133	114
Share-based compensation	90	25	65
Other non-recurring expense, net	(197)	12	(209)
Adjusted EBITDA - continuing and discontinued ops	\$ 1,270	\$ 4,052	\$ (2,782)

(1) Legal and professional fees associated with potential transactions and professional fees associated with prior periods.

(2) Severance and relocation costs.

HISTORICAL QUARTERLY RESULTS

The following table sets forth a summary of unaudited quarterly financial information for continuing operations for the last eight consecutive fiscal quarters up to and including the first quarter of 2026. This quarterly financial information has been prepared in accordance with IFRS.

Quarter ended (\$ in 000's)	Mar-31 2026	Dec-31 2025	Sep-30 2025	Jun-30 2025	Mar-31 2025	Dec-31 2024	Sep-30 2024	Jun-30 2024
Revenue	\$ 17,888	\$ 18,607	\$ 22,367	\$ 22,811	\$ 22,905	\$ 21,064	\$ 22,059	\$ 23,128
Gross profit before fair value adjustment	5,505	2,086	6,576	8,853	11,100	8,563	12,828	12,216
Gross profit	1,652	1,941	6,636	5,668	13,824	6,348	10,118	18,696
Income (loss) from operations	(8,222)	\$ (52,682)	\$ (4,523)	\$ (6,606)	\$ 1,297	\$ (5,441)	\$ (758)	\$ 6,978

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2026 and December 31, 2025, the Company had \$8,334 and \$8,910 in cash and cash equivalents, respectively. The major components of the Company's statements of cash flows for the three months ended March 31, 2026 and 2025 are as follows:

	Three months ended		
	March 31, 2026	March 31, 2025	Variance
Cash provided by (used in) operating activities	\$ (1,945)	\$ (1,451)	\$ (494)
Cash provided by (used in) investing activities	(1,067)	(4,179)	3,112
Cash provided by (used in) financing activities	2,436	(3,732)	6,168
Net change in cash and cash equivalents	\$ (576)	\$ (9,362)	\$ 8,786

Operating activities

Cash and cash equivalents used in operating activities for the three months ended March 31, 2026, was \$1,945 compared to cash and cash equivalents used in operating activities of \$1,451 for the three months ended March 31, 2025. The decline in cash generated from operating activities is primarily attributable to the decrease in margins attributable to price pressures in the Florida market.

Investing activities

Cash and cash equivalents used in investing activities for the three months ended March 31, 2026 was \$1,067, compared to \$4,179 used in investing activities for the three months ended March 31, 2025. The decrease in investing activities is the result of the completion of the build-out of the Buffalo Facility in New York and the completion of the buildout of the Rosa Facility in Florida. The reduction in purchases of property and equipment were offset partially by the bi-annual renewal fees associated with the Company's license to cultivate and distribute medical marijuana within the state of Texas.

Financing activities

Cash and cash equivalents provided by financing activities for the three months ended March 31, 2026 was \$2,436, compared to cash and cash equivalents used in financing activities of \$3,732 for 2025. The increase of \$6,168 in cash provided by financing activities was primarily driven by an amendment to the Company's term loan, providing an additional \$5,740, net of transaction costs. The positive cash flow provided by financing activities were offset partially by principal and interest payments for notes payable and lease obligations.

CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET ARRANGEMENTS

The Company leases certain business facilities from third parties under lease agreements that specify minimum rentals. The leases expire through 2035 and contain certain renewal provisions. Future minimum lease payments under non-cancelable leases having an initial or remaining term of more than one year are as follows:

For the twelve months ending March 31,	Scheduled Payments
2027	\$ 12,452
2028	11,889
2029	11,359
2030	10,906
2031	10,792
2032	10,651
2033	8,531
Thereafter	35,689
Total Future Minimum Lease Payments	\$ 112,269

SUMMARY OF OUTSTANDING SHARE DATA

As of March 31 2026, the share capital of the Company is comprised of 613,261,139 common shares, 2,450,188 proportionate voting shares (each proportionate voting share is convertible into ten common shares), 17,533,150 stock options, 210,000 restricted stock units, and 0 exchangeable shares.

Earnings (loss) per share is calculated using the weighted average number of shares outstanding during the period on a basic and fully diluted basis. Out-of-the money options and warrants are excluded as dilutive instruments. As the Company was in a loss position from continuing operations for the three months ended March 31, 2026 and 2025, respectively, earnings per share from continuing operations for those periods was calculated using the basic number of outstanding shares.

	Three months ended March 31,	
	2026	2025
Weighted average number of shares - basic	637,763,019	473,275,109
Weighted average warrants	-	-
Weighted average convertible debt	36,392,300	31,396,370
Weighted average options	-	-
Weighted average restricted stock units	210,000	5,220,771
Weighted average exchangeable shares	-	153,069,395
Weighted Average Number of Shares - Diluted	674,365,319	662,961,645

TRANSACTIONS WITH RELATED PARTIES

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling activities for the Company, directly and indirectly. The key management personnel of the Company are the members of the Company's executive management team and Board of Directors (the "Board"). For the three months ended March 31, 2026 and 2025, key management personnel compensation consisted of the following:

	For the three months ended March 31,			
	2026		2025	
Salary	\$	317	\$	711
Option-based compensation		51		1
Share-based compensation (including RSUs)		2		15
All other compensation (including cash-settled Board fees)		180		138
Total	\$	550	\$	865

Rosa Facility Lease

During the three months ended March 31, 2026, the Company made lease payments of \$93 to Nittany Management, LLC (“**Nittany**”), which is owned by William Smith, a director and the Executive Chairman of the Company. The lease agreement dated January 8, 2024 (the “**Rosa Lease**”) is for the Company’s Rosa Facility located in Tampa, Florida, which is used for cultivation. The Rosa Lease is for a ten-year term, and the annual base rent paid by the Company is \$30, with 3% increases each year. The terms of the Rosa Lease were reviewed by disinterested directors of the Board and were found to be comparable to market terms.

On May 28, 2024, the Company made an amendment to the Rosa Lease, under which the Company is required to pay an additional \$1,360 to Nittany, subject to 13% simple interest. The payment serves as consideration for a waiver by Nittany of the Company’s breach of the Rosa Lease by failing to obtain Nittany’s consent before altering structural support systems, HVAC systems and other parts of the building. The Company is required to make at least six installment payments per year in the amount of at least \$45 each with payments first applied to outstanding interest, then to principal.

Shares for Debt Conversions – Director Fees

On February 7, 2025, the Company issued an aggregate of 1,657,063 common shares at a price of \$0.07 per common share in settlement of \$116 in accrued fees payable to certain directors for the period of October 1, 2024 to December 31, 2024. The common shares were issued to the following current and former directors of the Company: Roger Daher, Mark Eckenrode, Richard Mavrinac, John Mazarakis, William Smith, and Dawn Sweeney.

On July 24, 2025, the Company issued an aggregate of 2,750,000 common shares at a price of \$0.05 per share in settlement of \$138 in accrued fees payable to certain directors for the period of April 1, 2025 to June 30, 2025. The common shares were issued to the following current directors of the Company: Roger Daher, Mark Eckenrode, William Smith, Richard Mavrinac, and Dawn Sweeney.

On July 1, 2025, the Board passed a resolution that all compensation payable to the directors of the Company would be settled in cash on a go forward basis.

Legal Fees paid to Robert O. Beasley, P.A.

The Company’s former CEO is a partner at Robert O. Beasley, P.A. (the “**Law Firm**”) which the Company engaged to represent the Company on various legal matters, including litigation, regulatory and general counsel services during the three months ended March 31, 2025. Services were provided in accordance with normal commercial terms; the Company’s former CEO did not participate in the legal services rendered by the Law Firm. During the three months ended March 31, 2025, such period in which the Law Firm was a related party to the Company, the Company recognized legal expenses of \$23 to the Law Firm. The Law Firm is not a related party for the three months ended March 31, 2026.

The Smith Transaction

On November 26, 2024, in connection with the closing of a senior secured credit agreement (as may be amended, restated, replaced, the “**Credit Agreement**”) of up to \$96,500 with Chicago Atlantic Financial Services, LLC, as successor administrative agent for certain lenders, the Company and William Smith, a director and the Executive Chair of the Company, and certain companies controlled by Mr. Smith (the “**Smith Group**”), entered into an amended and restated termination agreement, which provided for, among other things, a \$500 cash fee and the issuance of a secured subordinated convertible note in an initial aggregate principal amount of \$6,500 due May 26, 2029 (the “**Smith Convertible Note**”), bearing interest of 15%, with all accrued but unpaid interest compounded quarterly, and without a Company right to prepay the Smith Convertible Note after year two. The Smith Convertible Note is subordinated in the right of payment to the Credit Agreement and the principal and accrued interest thereunder is convertible, at the discretion of the Smith Group, into common shares of the Company at a price of \$0.21 per share.

Interim CEO Private Placement

On August 28, 2025, the Company completed a private placement, whereby the Company's Interim CEO, David E Vautrin, purchased 3,500,000 common shares of the Company at a price of \$0.06 per share for aggregate gross proceeds of \$210.

KEY ACCOUNTING POLICIES

(a) Basis of preparation

The Interim Consolidated Financial Statements of the Company have been prepared in accordance with IFRS as issued by the IASB and interpretations of the IFRS Interpretations Committee ("IFRIC").

(b) Material uncertainty related to going concern

The Interim Consolidated Financial Statements have been prepared assuming that the Company will continue as a going concern. The going concern basis of accounting contemplates the realization of assets and the settlement of liabilities in the normal course of business.

As of March 31, 2026, the Company had cash and cash equivalents of \$8,334 and working capital deficit of (\$5,805). For the three months ended March 31, 2026, the Company incurred a net loss of (\$14,923) and experienced negative operating cash flows of (\$1,945).

These conditions indicate the existence of events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern.

Subsequent to the three-month period ended March 31, 2026, the Company has been pursuing strategic initiatives intended to strengthen its liquidity position and support ongoing operations. These initiatives include entering into the Arrangement Agreement (as defined herein) with Vireo Growth Corp ("Vireo") in connection with the Vireo Arrangement, and entering into the Legacy Transaction (as defined herein) for the sale of 100% of the Company's issued and outstanding equity interests in Consortium Texas for gross proceeds of \$30,000. While management believes these initiatives may provide a pathway to additional capital and improved liquidity, their success is subject to various conditions not wholly within the Company's control.

Accordingly, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. These Interim Consolidated Financial Statements do not include any adjustments that might result from the outcome of this uncertainty. Such adjustments could be material.

(c) Functional and presentation of currency

The Interim Consolidated Financial Statements are presented in thousands of U.S. dollars unless otherwise stated. The functional currency of the Company's U.S. and Canadian subsidiaries is the U.S. dollar.

(d) Critical accounting judgments, estimates and assumptions

The preparation of the Company's Interim Consolidation Financial Statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the review affects both current and future periods.

Critical judgments, estimates and assumptions that have the most significant effect on the amounts recognized on the Interim Consolidated Financial Statements have been set out in Note 4 of the Annual Consolidated Financial Statements for the years ended December 31, 2025, and 2024.

Subsequent Events

Vireo Arrangement

On April 29, 2026, the Company and Vireo announced that they entered into a definitive arrangement agreement (the “Arrangement Agreement”) pursuant to which Vireo agreed to acquire all of the issued and outstanding common shares of the Company (after conversion of all (i) proportionate voting shares of the Company and (ii) non-voting, non-participating exchangeable shares of the Company) in exchange for Vireo Shares (as defined below) (the “Vireo Arrangement”). Pursuant to the terms of the Arrangement Agreement, each shareholder of the Company will receive 0.0705359 of a subordinate voting share of Vireo (each whole share, a “Vireo Share”) in exchange for each common share of the Company held.

The Vireo Arrangement will be effected by way of a court-approved plan of arrangement pursuant to the OBCA requiring the approval of (i) at least two-thirds of the votes cast by the shareholders of the Company; and (ii) if applicable, a simple majority of the votes cast by shareholders of the Company excluding for this purpose the votes attached to shares of the Company owned and/or controlled by any shareholder of the Company required to be excluded under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, voting at an annual general and special meeting of shareholders to consider the Vireo Arrangement, which is scheduled for July 28, 2026 (the “Special Meeting”).

In connection with the Vireo Arrangement, Vireo has entered into voting support agreements with certain directors, officers and key shareholders of the Company, with such holders representing approximately 38.3% of the issued and outstanding common shares of the Company (on an as-converted basis), pursuant to which they have agreed to, among other things, vote their shares of the Company in favor of the Vireo Arrangement.

Closing of the Vireo Arrangement is subject to the receipt of all required court, shareholder, regulatory, and other third-party approvals, the completion of the Equitization (as defined below), and the satisfaction of certain other closing conditions customary in transactions of this nature, which are expected to be completed during the fourth quarter of 2026.

In connection with the Vireo Arrangement, the Company entered into a credit equitization agreement (the “Equitization Agreement”) with certain lenders to its existing Credit Agreement. Pursuant to the terms of the Equitization Agreement, among other things, the parties have agreed to exchange an aggregate of \$30,000 outstanding indebtedness owing under the Credit Agreement for common shares of the Company (the “Equitization”). Such common shares of the Company will, subject to the terms of the Equitization Agreement, be issuable to such lenders immediately prior to the closing of the Vireo Arrangement and will be exchanged into Vireo Shares upon completion of the Vireo Arrangement.

On May 19, 2026, the Company entered into a consulting services agreement with Vireo, pursuant to which Vireo will provide certain advisory services for the Company’s Florida business. The Company will pay a consulting fee of \$25 per month, with fees for the first two months waived.

Legacy Transaction

On May 1, 2026, the Company entered into a definitive purchase agreement (the “Purchase Agreement”) with Legacy Therapeutics, LLC (“Legacy”), pursuant to which Legacy agreed to acquire 100% of the issued and outstanding equity interests in Consortium Texas (the “Legacy Transaction”). The Legacy Transaction contemplates the sale of the Company’s Texas business operations, which includes Consortium Texas’s license, cultivation, manufacturing and delivery business in Schulenburg, Texas, and the Houston retail operations.

Pursuant to the terms of the Purchase Agreement, the aggregate purchase price payable by Legacy is \$30,000, of which \$25,000 will be payable at closing and an amount equal to \$2,500 will be payable on each of the first and second anniversaries of the closing date. The Legacy Transaction is subject to the satisfaction of certain customary closing conditions and applicable regulatory approvals.

Additional Subsequent Events

On April 23, 2026, the U.S. Department of the Treasury and Internal Revenue Service (“IRS”) announced their intention to issue guidance addressing the federal tax consequences associated with the rescheduling of medical cannabis under the U.S. Controlled Substances Act. The announcement follows the final order issued by the U.S. Department of Justice to reschedule medical cannabis from a Schedule I substance to a Schedule III substance under the U.S. Controlled Substances Act.

As a result of the rescheduling, the Company’s medical cannabis operations are expected to no longer be subject to the limitations under IRC Section 280E upon the effective date of the applicable guidance. Accordingly, the Company expects a reduction in future federal income tax expense associated with its medical cannabis operations as associated uncertain tax position liability. The Company is currently evaluating the full financial statement impact of the regulatory change, including the impact on current and deferred income taxes.

Subsequent to the three months ended March 31, 2026, the Company:

- discontinued operations at the Ruskin cultivation facility in Florida and vacated the lease on April 1, 2026;
- provided 90-day notice to employees that it plans to cease operations at its Chestertown facility in New York; and
- ceased operations at its Manhattan and Kingston retail locations in New York.

UNITED STATES REGULATORY ENVIRONMENT

Federal Regulatory Environment

In accordance with the Canadian Securities Administrators (“CSA”) Staff Notice 51-352 (Revised) – *Issuers with U.S. Marijuana-Related Activities* (“**Staff Notice 51-352**”) dated February 8, 2018, and Staff Notice 51-357 – *Staff Review of Reporting Issuers in the Cannabis Industry* dated October 10, 2018 below is a discussion of the current federal and state-level U.S. regulatory regimes in those jurisdictions where the Company is currently directly involved through its subsidiaries, in the cannabis industry. In accordance with Staff Notice 51-352, the Company will evaluate, monitor and reassess this disclosure, and any related risks, on an ongoing basis and the same will be supplemented, amended and communicated 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 marijuana regulation.

The U.S. Drug Enforcement Administration (“DEA”) currently classifies cannabis as a Schedule I controlled substance under the Controlled Substances Act (21 U.S.C. § 811). A Schedule I controlled substance is defined as a substance that has no currently accepted medical use in the United States, a lack of safety for use under medical supervision and a high potential for abuse. Schedule I controlled substances are federally illegal and the manufacturing, sale and use of cannabis is a violation of federal law.

Due to conflicting and changing views between state legislatures and the federal government regarding cannabis, cannabis businesses are subject to inconsistent laws and regulations. The Obama Administration attempted to address the inconsistent treatment of cannabis under state and federal law in the Cole Memorandum that Deputy Attorney General James Cole sent to all U.S. Attorneys in August 2013. The Cole Memorandum noted that, in jurisdictions that have enacted laws legalizing cannabis in some form and that have also implemented strong and effective regulatory and enforcement systems to control the cultivation, processing, distribution, sale and possession of cannabis, conduct in compliance with such laws and regulations was not a prosecution or enforcement priority for the Department of Justice (“DOJ”).

On January 4, 2018, former U.S. Attorney General Jeff Sessions formally rescinded the Cole Memorandum. The rescission of the Cole Memorandum and other Obama-era prosecutorial guidance did not create a change in federal law as the Cole Memorandum was never legally binding; however, the revocation removed the DOJ’s guidance to U.S. Attorneys that state-regulated cannabis industries substantively in compliance with the Cole Memorandum’s guidelines should not be a prosecutorial priority. The federal government of the United States has always reserved the right to enforce federal law regarding the sale and disbursement of medical or recreational marijuana, even if state law sanctioned such sale and disbursement. Although this rescission does not necessarily indicate that marijuana industry prosecutions are now affirmatively a priority for the DOJ, there can be no assurance that it will not enforce such laws in the future.

In October 2022, President Biden announced that cannabis scheduling under federal law would be reviewed, noting that cannabis is scheduled as more dangerous than fentanyl and methamphetamine, two substances that are driving an overdose epidemic in the country. In December 2022, President Biden signed the Medical Marijuana and Cannabidiol Research Expansion Act into law, which provides for significantly broader opportunities to study cannabis.

On August 29, 2023, and in response to President Biden’s directive to review cannabis’s scheduling, the Department of Health and Human Services (“HHS”) formally presented its recommendation to the DEA that cannabis be rescheduled to Schedule III from Schedule I. Section 280E of the Internal Revenue Code does not apply to those trafficking in Schedule III controlled substances, which would most likely reduce the tax burden of most U.S. cannabis companies. The DEA, which has final jurisdiction over scheduling decisions, started the review process for rescheduling.

On May 16, 2024, then-U.S. Attorney General Merrick Garland submitted to the Federal Register a notice of proposed rulemaking to consider moving marijuana from a Schedule I to a Schedule III drug under the Controlled Substances Act. The notice initiated a 60-day comment period for members of the public to submit comments regarding the rule where more than 43,000 comments were received. After reviewing the public comments, the DEA determined that a hearing was necessary and selected Administrative Law Judge John J. Mulrooney to oversee it. Expert testimony was expected to begin in early 2025. However, that hearing was postponed on January 15, 2025. On December 18, 2025, President Trump signed an executive order, which directs the Attorney General to expedite the movement of marijuana from Schedule I to Schedule III under the Controlled Substances Act. The executive order does not legalize marijuana for recreational use, and it remains a federally controlled substance. The order is not self-executing and requires a formal administrative rulemaking process.

On April 23, 2026, the U.S. Department of Justice issued a Final Order implementing the rescheduling of medical cannabis, and the Department of the Treasury and IRS announced they will issue guidance on the federal tax impact of the Department of Justice's Final Order. Under this order, certain licensed or FDA-related medical marijuana products move from Schedule I to Schedule III under the Controlled Substances Act, while unlicensed and non-approved cannabis remain Schedule I. This would be applicable to cannabis sold in adult-use markets in the U.S.

This shift is expected to provide meaningful tax relief for state-licensed medical cannabis businesses by limiting the application of IRS Code Section 280E, allowing deductions and credits for qualifying activities starting in 2026. However, adult-use and recreational cannabis was excluded from the rescheduling and thus remains subject to Schedule I treatment for the time being.

As an industry best practice, and in light of the federal approach to regulating cannabis, the Company abides by the following to ensure compliance with the guidance provided by the Cole Memorandum:

- ensure that its operations are compliant with all licensing requirements as established by the applicable state, county, municipality, town, township, borough, and other political/administrative divisions;
- ensure that its cannabis related activities adhere to the scope of the licenses obtained (for example: in the states where cannabis is permitted for recreational adult use, the products are only sold to individuals who meet the requisite age requirements);
- implement policies and procedures to ensure that cannabis products are not distributed to minors;
- implement policies and procedures to ensure that revenue is not distributed to criminal enterprises, gangs or cartels;
- implement adequate inventory tracking systems and necessary procedures to ensure that such compliance system is effective in tracking inventory and preventing diversion of cannabis or cannabis products into those states where cannabis is not permitted by state law, or cross any state lines in general;
- ensure that its state-authorized cannabis business activity is not used as a cover or pretense for trafficking of other illegal drugs, and is not engaged in any other illegal activity or any activities that are contrary to any applicable anti-money laundering statutes; and
- ensure that its products comply with applicable regulations and contain necessary disclaimers about the contents of the products to prevent adverse public health consequences from cannabis use and to prevent impaired driving.

In addition, the Company conducts background checks to ensure that certain individuals working at its operating subsidiaries are of good character, and have not been involved with other illegal drugs, engaged in illegal activity or activities involving violence, or use of firearms in cultivation, manufacturing or distribution of cannabis. The Company also conducts ongoing reviews of its cannabis business activities, the premises on which they operate and the policies and procedures that are related to possession of cannabis or cannabis products outside of the licensed premises.

As of the date of this MD&A, 99% of the Company's assets are exposed to U.S. marijuana related activities. By these measures 99% of the Company's assets and operations were related to U.S. marijuana related activities.

There have been efforts at reforming U.S. federal cannabis law. As of the date of this MD&A, there were several proposed congressional bills addressing a spectrum of issues regarding the cannabis industry, from banking and tax reform to full legalization. However, none have passed into law.

There does exist a legislative safeguard for the medical cannabis industry, appended to the federal budget bill. Every year since 2015, Congress has adopted a so-called "rider" provision to the Consolidated Appropriations Acts (formerly referred to as the Rohrabacher-Farr Amendment and currently referred to as the Rohrabacher-Blumenauer Amendment) to prevent the federal government from using congressionally appropriated funds to enforce federal law against regulated medical cannabis actors operating in compliance with state and local law. Since fiscal year 2015, Congress has renewed the Rohrabacher-Farr Amendment, and as of the issuance of this MD&A, remains in effect. However, there is no guarantee that the Rohrabacher-Farr Amendment will be renewed by Congress in subsequent fiscal years, and the Rohrabacher-Farr Amendment does not legalize the use of cannabis on the U.S. federal level.

The large and ever-growing size of the cannabis industry, in addition to participation by state and local governments and investors, suggests that a large-scale federal enforcement operation would more than likely create unwanted political backlash for the Department of Justice and the current administration. Regardless, cannabis remains illegal at the federal level. The U.S. federal government has always reserved the right to enforce federal law over the sale and disbursement of medical or adult-use cannabis, even if state law authorizes such sale and disbursement. There is no guarantee that state laws legalizing and regulating the sale and use of cannabis will remain in place or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. Unless cannabis is removed from Schedule I of the Controlled Substances Act, there is a risk that federal authorities may enforce current U.S. federal law criminalizing cannabis.

The Company will continue to monitor compliance on an ongoing basis in accordance with our compliance program and standard operating procedures. While the Company's operations comply with all applicable state laws, regulations and licensing requirements, such activities remain illegal under federal law. For the reasons described above and the risks further described in the section entitled "Risk Factors," there are significant risks associated with our business. Readers of this MD&A are strongly encouraged to carefully read all the risk factors described under the heading "Risks Specifically Related to the United States Regulatory System," below.

U.S. Legal Advice

The Company and its subsidiaries are in compliance with U.S. state laws and the related licensing frameworks. The Company and its subsidiaries use reasonable commercial efforts to confirm, through the advice of U.S. counsel in each state in which the Company operates, the monitoring and review of its business practices, and regular monitoring of changes to U.S. federal enforcement priorities, that its businesses are in compliance with applicable licensing requirements and regulatory frameworks. Other than as disclosed herein, the Company's U.S. based subsidiaries have not received non-compliance orders, citations or notices of violation that may have an impact on such entity's licenses, business activities and/or operations. The Company's U.S. based subsidiaries have obtained legal advice regarding (a) compliance with applicable state regulatory frameworks and (b) potential exposure and implications arising from U.S. federal law.

Compliance Program

The Company's Compliance Department oversees, maintains, and implements the compliance program and personnel in conjunction with the Chief Legal Officer. The Chief Legal Officer serve as liaisons to the various state and local regulators. It is the responsibility of the Chief Legal Officer to work with all operational department heads to ensure operations and employees strictly comply with applicable laws, regulations and licensing requirements to ensure that the operations do not endanger the health, safety, or welfare of the communities that the Company operates in. The Chief Legal Officer works closely with the operations and security directors to ensure that operations and all employees are following and complying with the Company's written standard operating procedures.

The Company has developed policies and standard operating procedures that establish minimum standards and requirements for operations in each market, encompassing operational aspects such as cultivation, manufacturing, packaging of product, the handling of confidential or personal information and method by which an employee may dispense cannabis to an authorized individual. Upon the Company's entry into a new market, the Chief Legal Officer work with each department director to adapt these policies and standard operating procedures into a unique set of operating procedures for each respective market, tailored to each market's regulatory requirements.

Working with the operations, human resources, and security departments, the Chief Legal Officer and the compliance team reviews and monitors training for all employees, including on the following topics:

- compliance with applicable state and local laws
- safe cannabis use
- dispensing procedures
- cultivation and processing procedures
- security and safety policies and procedures

- inventory control
- point of sale and seed to sale tracking software
- quality control
- transportation procedures

The Company's compliance protocols emphasize quality assurance, as evidenced by its efforts to obtain Good Manufacturing Practices (or similar) certification in its facilities, security and inventory controls, as well as patient safety. These efforts ensure strict monitoring of cannabis and inventory in all phases of the process. Only authorized and properly trained employees are permitted to access any seed-to-sale system or dispense cannabis to an authorized individual.

The Company is in compliance with U.S. state law and the related licensing framework in each state in which it has active marijuana operations. The Company uses reasonable commercial efforts to ensure that its business is in compliance with applicable licensing requirements and the regulatory frameworks enacted by these states, through the duties of the Chief Legal Officer, who monitors and reviews the Company's business practices and changes to U.S. federal enforcement priorities.

The Chief Legal Officer monitors compliance notifications from various state regulators and ensures timely response and corrective action if necessary. No notifications have been received other than as set out below. The Company maintains comprehensive recordkeeping and retention procedures for any action involving the products it cultivates, processes, and/or dispenses. In addition, the Company maintains accurate records of all activities it is licensed to conduct in each market and does so in compliance with applicable laws and regulations. Adherence to the Company's compliance protocols in each market is mandatory and ensures that all operations remain compliant with the regulation(s) set forth by the applicable regulatory bodies, as well as all requirements of licensure.

Each facility is monitored and supervised under a uniform set of policies and procedures that also requires daily, weekly, monthly and quarterly reporting on applicable activities that occur at each facility. These reports, completed by or under the supervision of the applicable facility manager include germination, cloning, plant destruction, harvest details, extraction rates, product formulation details, logistics, transportation, delivery, sales and customer complaints. Each facility also utilizes a password protected, role-based, seed-to-sale inventory tracking and reporting software system. The Chief Legal Officer has full administrative access to the seed-to-sale tracking and reporting software. The seed-to-sale software program gives the Chief Legal Officer real time access to the source data, which reports all daily activities of each subsidiary to conduct independent analysis and verification of the standard reports submitted by each subsidiary.

In addition to the standard reports submitted by each facility and the seed-to-sale software program access, the Chief Legal Officer and staff perform scheduled and unscheduled site visits and audits of each facility. The scheduled and unscheduled site visits and audits are performed at least quarterly and are used to verify source data on all reported subsidiary activities, debrief and interview key employees, and conduct an overall review of the operating conditions of all Company facilities.

State Regulatory Environment

Florida

Regulatory Framework

Florida regulates medical marijuana as set forth in the Florida Constitution, Florida Statutes, implementing regulations of the Florida Administrative Code, and other applicable laws. The OMMU is responsible for oversight and implementation of medical marijuana laws in Florida.

Florida Statutes

Section 381.986, Florida Statutes, governs the cultivation, processing, dispensing, and ordering of marijuana for medical use in Florida by qualified Florida-licensed physicians for medical use by qualified patients. Under this law, "medical use" means "acquisition, possession, use, delivery, transfer, or administration of marijuana authorized by a physician certification." Legally permitted routes of administration include oil-based products, edibles, and smoking.

Only Florida-licensed physicians who undergo the required training can recommend marijuana for medical use in Florida. Qualified patients must be permanent Florida residents and must be diagnosed with one of the qualifying medical conditions set forth in Section 381.986(2), Florida Statutes.

Chapter 64-4, Florida Administrative Code

As required by Florida Statutes, OMMU implements regulations governing the use of medical marijuana in the state, including the licensing of businesses to cultivate, process, and dispense medical marijuana to qualified patients. These regulations are found in Chapter 64-4, Florida Administrative Code and a series of emergency rules found in the Florida Administrative Register.

U.S. Attorney Statements

To the knowledge of management of the Company, there have not been any statements or guidance made by federal authorities or prosecutors regarding the risk of enforcement action in Florida.

Licensing and Compliance in Florida

In Florida, OMMU administers and maintains the state's medical marijuana program pursuant to the Florida Constitution and Florida Statutes. Florida law currently requires each Medical Marijuana Treatment Center ("**MMTC**") to be vertically integrated, which means the MMTC must control all aspects of the operations from "seed to sale", i.e., cultivation, processing, distribution, sale, and delivery. Additionally, as a condition to becoming operational, each MMTC is statutorily required to comply with all disclosures made to obtain the license.

MMTCs must maintain adequate security and surveillance at all of their sites, comply with all applicable laws relating to the MMTC License, and are subject to regular unannounced audits by OMMU. All inventory movements must be logged in a seed-to-sale tracking system ("**STS System**") that is integrated with an STS System operated and monitored by OMMU. Processing, or manufacturing, activities must occur in a facility that has been audited for compliance with Good Manufacturing Practices by a third-party auditor.

Licenses

The Company, through its direct and indirect wholly owned subsidiaries, is licensed to cultivate, process and sell medical cannabis and to own and operate individual dispensary locations as well as deliver product directly to customer's homes throughout the State of Florida. There is no limit on the number of facilities that can be operated under a single MMTC license.

In the State of Florida, the OMMU issues licenses to produce and sell medical cannabis i.e. the MMTC License (formerly a Dispensing Organization License).

The MMTC License held by the Company's Florida subsidiary was renewed for a two-year term effective August 20, 2024. The Company follows all regulatory requirements regarding the reporting of inventory movement and sales, as well as all other data reporting and record retention requirements in Pennsylvania.

Dispensary Requirements

MMTCs may dispense up to a 70-day supply of medical marijuana in non-smokable forms or up to a 35-day supply in smokable forms at any time. At all times, the MMTC employee must ensure the privacy of information in regard to the patient records as required by Florida legislation and applicable privacy laws. All dispensations must be logged in the MMTC's STS system.

Transportation Requirements

When transporting cannabis to dispensaries or to patients for delivery, a manifest must be prepared, and transportation must be done using an approved vehicle. The cannabis must be stored in a separate, locked area of the vehicle and always there must be two people in a delivery vehicle. The manifest for all deliveries must be generated in the MMTC's STS system.

OMMU Inspections

The OMMU conducts announced and unannounced inspections of MMTC's to determine compliance with the laws and regulations. The OMMU also must inspect an MMTC upon receiving a complaint or notice that the MMTC has dispensed cannabis containing mold, bacteria, or other contaminants that may cause an adverse effect to humans or the environment. The OMMU conducts at least a biennial inspection of each MMTC to evaluate the MMTC's records, personnel, equipment, security, sanitation practices, and quality assurance practices.

New York

Regulatory Framework

In July 2014, the New York Legislature and Governor enacted the Compassionate Care Act to provide a comprehensive, safe and effective medical cannabis program. The Compassionate Care Act provides access to the program for those who suffer from qualifying conditions and have a physician's recommendation. In 2021, the MRTA was signed into law. The MRTA legalized adult-use cannabis and established the New York Office of Cannabis Management, which continues to promulgate rules and regulations.

The Office of Cannabis Management ("**OCM**") is the regulatory agency that oversees the adult-use and medical cannabis program in New York. There is currently one principal medical license category in New York: Registered Organization (a vertically integrated license). The Company's New York subsidiary holds a Registered Organization Adult-use Cultivator Processor Distributor Retail Dispensary ("**ROD**") license.

Under its ROD license, the Company operates two cultivation and manufacturing facilities, as well as three co-located medical and adult-use cannabis dispensaries. Under the MRTA the Company may open an additional five medical dispensaries.

All operating facilities are, as of the date hereof, active with the State of New York.

The Company follows all regulatory requirements regarding the reporting of inventory movement and sale, as well as all other data reporting and record retention requirements mandated by New York.

Texas

Regulatory Framework

Texas initially limited the scope of authorization of cannabis for medical purposes to the cultivation, processing, and dispensing of low-THC (as defined below) cannabis prescribed to epilepsy patients.

In May 2019, the Texas legislature passed a bill that significantly expanded the Texas Compassionate Use Act. It was subsequently signed into law by the Governor. The May 2019 law increased legal access to medical cannabis products containing up to 0.5 percent tetrahydrocannabinol ("**THC**") for patients coping with a broader list of chronic medical conditions and diseases including epilepsy, a seizure disorder, multiple sclerosis, spasticity, amyotrophic lateral sclerosis, autism and terminal cancer.

Compassionate Use Act

The Texas Legislature enacted the Texas Compassionate Use Act, found in Chapter 169 of the Texas Occupations Code and Chapter 487 of the Texas Health and Safety Code, in 2015. The Texas Compassionate Use Act directs the Texas Department of Public Safety ("**DPS**") to create a secure registry of Texas-licensed physicians who are authorized to treat qualifying conditions by prescribing low-THC cannabis to qualified, registered patients who have been diagnosed with epilepsy, a seizure disorder, multiple sclerosis, spasticity, amyotrophic lateral sclerosis (ALS), autism, terminal cancer, or an incurable neurodegenerative disease. In addition, the bill required DPS to license at least three dispensing organizations by September 1, 2017, should they meet the requirements. The license authorizes the organizations to cultivate, process and dispense low-THC cannabis to prescribed patients.

The act defines low-THC cannabis as:

the plant *Cannabis Sativa L.*, and any part of that plant or any compound, manufacture, salt, derivative, mixture, preparation, resin, or oil of that plant that contains:

- (A) not more than 0.5 percent by weight of tetrahydrocannabinols; and
- (B) not less than 10 percent by weight of cannabidiol.

Under the act, medical use of low-THC cannabis means “ingestion by a means of administration other than by smoking of a prescribed amount of low-THC cannabis by a person for whom low-THC cannabis is prescribed.”

Administrative Rules

DPS adopted the rules implementing the Texas Compassionate Use Act in 2017. These rules, the Compassionate Use/Low-THC Cannabis Program Administrative Rules, are found in 37 Texas Administrative Code 1, Chapter 12. They specify licensing requirements and standards that licensees must satisfy for a variety of subjects, including building design and construction, records, testing, production (including limitations on the use of pesticides and other products that could harm patient health), packaging, labeling, restrictions on eligible persons who can receive low-THC cannabis, criminal history disqualifiers for licensees and their employees, sanitation, and waste disposal.

Each dispensing organization may operate a single dispensary, which must be co-located with its cultivation and processing facilities. All other dispensing may only occur via delivery, which may include same-day pickup at an arranged location such as a doctor’s office.

Production is limited under the rules; DPS will only issue sufficient licenses to provide the patient population of Texas with the most current scientifically accepted dosage. The amount of production permitted is recalculated every year as provided in the rules. As of December 31, 2024, DPS has issued three dispensing organization licenses.

The Company complies with all applicable requirements regarding the reporting of inventory movement and sale, as well as other data reporting and retention requirements mandated by DPS.

U.S. Attorney Statements

To the knowledge of management of the Company, there have not been any statements or guidance made by U.S. federal authorities or prosecutors regarding the risk of enforcement action in Texas.

Licensing and Compliance in Texas

In Texas the DPS administers the state’s compassionate use program. State law currently requires each license holder to be vertically integrated, which requires the license holder to control all aspects of the operations from “seed to sale”. State law requires strict limits on THC content which subsequently requires regular testing and maintenance of records.

On May 22, 2025 the Texas Legislature passed Senate Bill 3, which effectively bans most THC-containing products in the state other than low-THC cannabis available through the state’s compassionate use program. Assuming Governor Greg Abbott does not veto the bill, it will become law effective September 1, 2025.

In June 2025, Texas became the 40th U.S. state to legalize broader medical cannabis under new legislations (HB46) expanding the Texas Compassionate Use Program (TCUP)

In July 2025, the Senate State Affairs Committee, introduced a new bill (Senate Bill 5) essentially replicating SB’3 ban on THC containing hemp consumable and that passed the Senate committee unanimously 10-0.

Licenses

The Company’s subsidiary in Texas obtained a Dispensing Organization License from the Department of Public Safety on September 1, 2017. This license allows the Company’s subsidiary in Texas to cultivate and produce cannabis as well as operate a dispensary at the cultivation site. The license also allows for home delivery of the product. The current license was renewed in

October 2025 and expires on October 1, 2027. As of the date of this MD&A, the Company's subsidiary in Texas holds one (1) of the three licenses issued by the Department of Public Safety in Texas.

Department Inspections

DPS performs regular inspections of the facility. All requested records are given onsite or electronically as requested.

On January 17, 2019, the Company's subsidiary in Texas received a notice of violation from the Texas Department of Public Safety Regulatory Services Division for failure to adequately respond to the Department's requests for records on inventory and testing at its cultivation facility, in violation of Texas law. On February 1, 2019, the Department issued a violation remediation letter confirming that the matter had been resolved to its satisfaction and that no further action would be taken.

General Statement Regarding State License Renewal Requirements

Each U.S. state imposes strict license renewal requirements that vary based on unique state laws. The Company generally must complete the renewal application process within a prescribed period of time prior to the expiration date and pay an application fee. The state licensing body can deny or revoke licenses and renewals for a variety of reasons, including (a) submission of materially inaccurate, incomplete or fraudulent information, (b) failure of the Company or any of its directors or officers to comply, or have a history of non-compliance, with any applicable law or regulation, including laws relating to minimum age of customers, safety and non-diversion of cannabis or cannabis products, taxes, child support, workers compensation and insurance coverage, or failure to otherwise remain in good standing, (c) failure to submit or implement a plan of correction for any identified violation, (d) attempting to assign registration to another entity without state approval, (e) insufficient financial resources, (f) committing, permitting, aiding or abetting of any illegal practices in the operation of a facility, (g) failure to cooperate or give information to relevant law enforcement related to any matter arising out of conduct at a licensed facility and (h) lack of responsible operations, as evidenced by negligence, disorderly or unsanitary facilities or permitting a person to use a registration card belonging to another person. Certain jurisdictions also require licensees to attend a public hearing or forum in connection with their license renewal application.

Risks Specifically Related to the United States Regulatory System

The Company operates in a new industry which is highly regulated, highly competitive and evolving rapidly. As such, new risks may emerge, and management may not be able to predict all such risks or be able to predict how such risks may result in actual results differing from the results contained in any forward-looking statements.

The Company's business incurs ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or in restrictions of operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of the Company and, therefore, on the Company's prospective returns. Further, the Company may be subject to a variety of claims and lawsuits. Adverse outcomes in some or all of these claims may result in significant monetary damages or injunctive relief that could adversely affect our ability to conduct our business. The litigation and other claims are subject to inherent uncertainties and management's view of these matters may change in the future. A material adverse impact on our financial statements also could occur for the period in which the effect of an unfavorable final outcome becomes probable and reasonably estimable.

The industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond the control of the Company and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce the Company's earnings and could make future capital investments or the Company's operations uneconomic. The industry is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants, and which cannot be reliably predicted.

The Company's subsidiaries are expected to continue to derive revenues from the cannabis industry in certain states of the United States, which industry is illegal under United States federal law. While the Company's and its applicable subsidiaries' business activities are compliant with applicable state and local law, such activities remain illegal under United States federal law. The Company is involved in the cannabis industry in the United States where local and state laws permit such activities or provide limited defenses to criminal prosecutions. Currently, the Company and its subsidiaries are directly engaged in the manufacture and possession of cannabis in the medical cannabis marketplace in the United States.

42 states and the district of Columbia in the United States have enacted comprehensive legislation to regulate the sale and use of medical cannabis in some form. Notwithstanding the permissive regulatory environment of medical cannabis at the state level, cannabis continues to be categorized as a Schedule 1 controlled substance under the Controlled Substances Act. As such, cannabis-related practices, or activities, including without limitation, the cultivation, manufacture, importation, possession, use or distribution of cannabis, are illegal under United States federal law. Strict compliance with state laws with respect to cannabis will neither absolve the Company of liability under United States federal law, nor will it provide a defense to any federal proceeding which may be brought against the Company. Any such proceedings brought against the Company may adversely affect the Company's operations and financial performance.

Because of the conflicting views between state legislatures and the federal government of the United States regarding cannabis, investments in cannabis businesses in the United States are subject to inconsistent legislation, regulation, and enforcement. Unless and until the United States Congress amends the United States Controlled Substances Act with respect to cannabis or the Drug Enforcement Agency reschedules or de-schedules cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that U.S. federal authorities may enforce current U.S. federal law, which would adversely affect the current and future operations and investments of the Company in the United States. As a result of the tension between state and U.S. federal law, there are a number of risks associated with the Company's existing and future operations and investments in the United States.

For the reasons set forth above, the Company's existing interests in the United States cannabis market may become the subject of heightened scrutiny by regulators, stock exchanges, clearing agencies and other authorities in the United States and Canada.

On February 8, 2018, following discussions with the CSA and recognized Canadian securities exchanges, the TMX Group announced the signing of a Memorandum of Understanding ("**TMX MOU**") with Cboe Canada Inc. (formerly Aequis NEO Exchange Inc.), the Canadian Securities Exchange, the Toronto Stock Exchange, and the TSX Venture Exchange. The TMX MOU outlines the parties' understanding of Canada's regulatory framework applicable to the rules, procedures, and regulatory oversight of the exchanges and the Canadian Depository for Securities ("**CDS**") as it relates to issuers with cannabis-related activities in the United States. The TMX MOU confirms, with respect to the clearing of listed securities, that CDS relies on the exchanges to review the conduct of listed issuers. As a result, there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the United States. However, there can be no guarantee that this approach to regulation will continue in the future. If such a ban were to be implemented, it would have a material adverse effect on the ability of holders of common shares of the Company to make and settle trades. In particular, the common shares of the Company would become highly illiquid as until an alternative was implemented, investors would have no ability to affect a trade of the common shares through the facilities of a stock exchange.

The operations of the Company and its subsidiaries are, and will continue to be, subject to evolving regulation by governmental authorities. The Company's and its subsidiaries' operations are directly in the medical cannabis industry in the United States, where local state law permits such activities. The legality of the production, extraction, distribution and use of cannabis differs among North American jurisdictions.

The Company's and its subsidiaries' operations have been focused in states that have legalized the medical use of cannabis. Over two thirds of the U.S. states have enacted legislation to legalize and regulate the sale and use of medical cannabis. Some U.S. states have legalized recreational use of cannabis. However, the U.S. federal government has not enacted similar legislation for medical or recreational cannabis. As such, the cultivation, manufacture, distribution, sale and use of cannabis remains illegal under U.S. federal law.

Additionally, there can be no assurance that state laws legalizing and regulating 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. It is also important to note that local and city ordinances may strictly limit and/or restrict the distribution of cannabis

in a manner that could make it extremely difficult or impossible to transact business in the cannabis industry. If the 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 state laws are repealed or curtailed, the Company's businesses would be materially and adversely affected. Federal actions against any individual or entity engaged in the marijuana industry or a substantial repeal of marijuana related legislation could adversely affect the Company, its business, and its investments.

In light of the political and regulatory uncertainty surrounding the treatment of U.S. cannabis-related activities, including the rescission of the Cole Memorandum discussed above, on February 8, 2018 the CSA published Staff Notice 51-352 setting out the CSA's disclosure expectations for specific risks facing issuers with cannabis-related activities in the United States. Staff Notice 51-352 confirms that a disclosure-based approach remains appropriate for issuers with U.S. cannabis-related activities. Staff Notice 51-352 includes additional disclosure expectations that apply to all issuers with U.S. cannabis-related activities, including those with direct and indirect involvement in the cultivation and distribution of cannabis, as well as issuers that provide goods and services to third parties involved in the U.S. cannabis industry. The Company views this staff notice favourably, as it provides increased transparency and greater certainty regarding the views of its exchange and its regulator of existing operations and strategic business plan as well as the Company's ability to pursue further investment and opportunities in the United States.

The Company's and its subsidiaries' current or future operations in the medical and recreational cannabis industry are likely illegal under the applicable federal laws of the United States. There can be no assurances the federal government of the United States or other jurisdictions will not seek to enforce the applicable laws against the Company or its subsidiaries. The consequences of such enforcement would be materially averse to the Company and the Company's business and could result in the forfeiture or seizure of all or substantially all of the Company's assets.

The concepts of "medical cannabis" and "retail cannabis" do not exist under United States federal law because the U.S. Controlled Substances Act classifies "marijuana" as a Schedule I drug. Under United States federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of accepted safety for the use of the drug under medical supervision. As such, cannabis-related practices or activities, including without limitation, the manufacture, importation, possession, use or distribution of cannabis remain illegal under United States federal law. Although the Company's and its subsidiaries' activities are compliant with applicable United States state and local law, strict compliance with state and local laws with respect to cannabis may neither absolve the Company and its subsidiaries of liability under United States federal law, nor may it provide a defense to any federal proceeding which may be brought against the Company or any subsidiary. Any such proceedings brought against the Company may adversely affect the Company's and its subsidiaries' operations and financial performance.

Violations of any United States federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the United States 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 on the Company and its subsidiaries, including their reputations and ability to conduct business, their holding (directly or indirectly) of medical cannabis licenses in the United States, the listing of their securities on various stock exchanges, their financial position, operating results, profitability or liquidity or the market price of any publicly traded shares. In addition, it is difficult for the Company 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.

Many factors could cause the Company's actual results, performances, and achievements to differ materially from those expressed or implied by the forward-looking statements, including without limitation, the following factors:

- the activities of the Company and its subsidiaries are subject to evolving regulation that is subject to changes by governmental authorities in Canada, the U.S. and internationally and such authorities could impose restrictions on the Company's and its subsidiaries' ability to operate;
- third parties with which the Company does business, including banks and other financial intermediaries, may perceive that they are exposed to legal and reputational risk because of the Company's and its subsidiaries' cannabis business activities;

- the Company's ability to repatriate returns generated from operations and investments in the U.S. may be limited by anti-money laundering laws;
- under Section 280E of the Internal Revenue Code, certain normal business expenses incurred in the business of selling marijuana and its derivatives are not deductible in calculating income tax liability. Therefore, certain of the subsidiaries will be precluded from claiming certain deductions otherwise available to non-marijuana businesses. As a result, an otherwise profitable, business may in fact operate at a loss after taking into account its income tax expenses. There is no certainty that the Company and the subsidiaries will not be subject to Section 280E of the Internal Revenue Code in the future, and accordingly, there is no certainty that the impact that Section 280E of the Internal Revenue Code has on the Company's margins will ever be reduced;
- federal prohibitions result in marijuana businesses being potentially restricted from accessing the U.S. federal banking system, and the Company and its subsidiaries may have difficulty depositing funds in federally insured and licensed banking institutions. This may lead to further related issues, such as the potential that a bank will freeze the Company's or any subsidiary's accounts and risks associated with uninsured deposit accounts. There is no certainty that Company or any subsidiaries will be able to maintain its existing accounts or obtain new accounts in the future; and
- although the TMX MOU confirms that there is currently no CDS ban on the clearing of securities of issuers with cannabis-related activities in the United States, there can be no guarantee that this approach to regulation will continue in the future.

The Company and its subsidiaries are subject to a variety of laws and regulations domestically and in the United States that involve money laundering, financial recordkeeping and proceeds of crime, including the U.S. Currency and Foreign Transactions Reporting Act of 1970 (commonly known as the Bank Secrecy Act), as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended and the rules and regulations thereunder, and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States, Canada and internationally. Further, under U.S. federal law, banks or other financial institutions that provide a cannabis business with a chequing account, debit or credit card, small business loan, or any other service could be found guilty of money laundering, aiding and abetting, or conspiracy.

Despite these laws, FinCEN issued a memorandum on February 14, 2014 outlining the pathways for financial institutions to bank marijuana businesses in compliance with federal enforcement priorities (the "**FinCEN Memorandum**"). The FinCEN Memorandum states that in some circumstances, it is permissible for banks to provide services to cannabis-related businesses without risking prosecution for violation of federal money laundering laws. It refers to and incorporates supplementary Cole Memorandum guidance issued to federal prosecutors relating to the prosecution of money laundering offenses predicated on cannabis-related violations of the United States Controlled Substances Act on the same day.

Notwithstanding former Attorney General Sessions' revocation of the Cole Memorandum, the status of the FinCEN Memorandum has not been affected, nor has the Department of the Treasury given any indication that it intends to rescind the FinCEN Memorandum itself. Though it was originally intended for the Cole Memorandum and the FinCEN Memorandum to work in tandem, the FinCEN Memorandum appears to remain in effect as a standalone document which explicitly lists the eight enforcement priorities originally cited in the rescinded Cole Memorandum. Although the FinCEN Memorandum remains intact, indicating that the Department of the Treasury and FinCEN intend to continue abiding by its guidance, it is unclear whether the current administration will continue to follow the guidelines of the FinCEN Memorandum.

The Company and its subsidiaries' operations, and any proceeds thereof, are considered proceeds of crime due to the fact that cannabis remains illegal federally in the United States. This restricts the ability of the Company and its subsidiaries to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada. Furthermore, while the Company has no current intention to declare or pay dividends on its shares in the foreseeable future, the Company may decide or be required to suspend declaring or paying dividends without advance notice and for an indefinite period of time.

Potential Change to U.S. Regulatory System

In December 2025, President Trump issued an executive order which directs the Attorney General to expedite the movement of marijuana from Schedule I to Schedule III under the Controlled Substances Act. If the DEA successfully reschedules cannabis, there may be new regulatory compliance obligations placed upon cannabis operators in the United States. Under the FFDCA (as defined below), Schedule III cannabis and cannabis-derived products bearing health claims (e.g., under a medical marijuana state regime) would be treated as a “new drug” requiring approval by the FDA (as defined below) before they could be dispensed, by prescription only. The FDA can also enforce against cannabis products unlawfully marketed as conventional foods or dietary supplements or that are otherwise misbranded or adulterated under the FFDCA.

Even if cannabis is rescheduled to Schedule III under the Controlled Substances Act, the current state-legal medical and adult-use cannabis business activities would remain illegal under U.S. federal law at the outset. Rescheduling would allow a potential pathway for federally legal medical cannabis, although this would require approval by the FDA of cannabis and cannabis-derived products, as well as alignment of state regimes with federal requirements.

Therefore, there is a risk that U.S. federal authorities through, among others, the DOJ, its sub-agency the DEA, and the IRS, may enforce federal law. This enforcement could entail active investigations, auditing, and shutting down cannabis growing facilities, processors, and retailers. If any such action occurs, the Company may be deemed to be producing, cultivating or dispensing cannabis and drug paraphernalia in violation of U.S. federal law. Since federal law criminalizing the cultivation, production, extraction, distribution, transportation, possession or use of marijuana applies despite state laws that legalize such actions, enforcement of federal law regarding marijuana is a significant risk and would greatly harm the Company’s business, prospects, revenue, results of operation and financial condition. There can be no assurances that the U.S. federal government will not seek to enforce the applicable laws against the Company. The consequences of such enforcement would be materially adverse to the Company’s business, including to the reputation, profitability, and market price of its securities, and have the potential to result in the forfeiture or seizure of all or substantially all of the Company’s assets.

U.S. Federal trademark protection may not be available for the intellectual property of the Company due to the current classification of cannabis as a Schedule I controlled substance.

As long as cannabis remains illegal under U.S. federal law as a Schedule I controlled substance pursuant to the Controlled Substances Act, the benefit of certain federal laws and protections that may be available to most businesses, such as federal trademark protection regarding the intellectual property of a business, may not be available to the Company. As a result, the Company’s intellectual property may never be adequately or sufficiently protected against use or misappropriation by third parties. In addition, since the regulatory framework of the cannabis industry is in a constant state of flux, the Company can provide no assurance that it will ever obtain any protection of its intellectual property in the United States, whether on a federal, state, or local level.

Ability to Access Private and Public Capital

The Company has historically relied on access to private and public capital in order to support its continuing operations and the Company expects to continue to rely almost exclusively on the capital markets to finance its business in the U.S. legal cannabis industry. Although such business carries a higher degree of risk, and is not legal pursuant to U.S. federal law, Canadian based issuers involved in the U.S. cannabis industry have been successful in completing public financings. However, there is no assurance the Company will be successful, in whole or in part, in raising funds in the future, particularly if the U.S. federal authorities change their position toward enforcing the Controlled Substances Act. Further, access to funding from U.S. residents may be limited due their unwillingness to be associated with activities which violate U.S. federal laws.

Service Providers

As a result of any adverse change to the approach in enforcement of United States cannabis laws, adverse regulatory or political change, additional scrutiny by regulatory authorities, adverse change in public perception in respect of the consumption of marijuana or otherwise, third party service providers to the Company could suspend or withdraw their services, which are necessary for the Company’s operations. Such suspension or withdrawal by such third-party service providers may have a material adverse effect on the Company’s business.

Enforceability of Contracts

It is a fundamental principle of law that a contract will not be enforced if it involves a violation of law or public policy. Because cannabis remains illegal at the federal level in the United States, judges in multiple states have previously refused to enforce contracts for the repayment of money when the loan was used in connection with activities that violate federal law, even where there was no violation of state law. It is not certain that the Company will be able to legally enforce contracts it enters into if necessary. The Company cannot be assured that it will have a remedy for breach of contract, and such lack of a remedy could have a material adverse effect on the Company's business.

Admissibility to the U.S.

Admissibility into the United States for those individuals involved with cannabis remains uncertain since the sale, possession, production and distribution of marijuana or the facilitation of the aforementioned remain illegal under U.S. federal law.

U.S. Customs practices continue to evolve and U.S. Customs and Border Protection ("**CBP**") released a statement on October 11, 2018 (the "**CBP Statement**") confirming that CBP enforces the laws of the United States and U.S. laws have not changed following Canada's legalization of marijuana. Requirements for international travelers wishing to enter the United States are governed by and conducted in accordance with U.S. federal law, which supersedes state laws. Although medical and recreational marijuana may be legal in some U.S. States and Canada, the sale, possession, production and distribution of marijuana or the facilitation of the aforementioned remain illegal under U.S. federal law. Consequently, crossing the border or arriving at a U.S. port of entry in violation of this law may result in denied admission, seizure, fines, and apprehension.

The CBP Statement also stated that CBP officers are thoroughly trained on admissibility factors and the *Immigration and Nationality Act*, which broadly governs the admissibility of travelers into the United States. Determinations about admissibility and whether any regulatory or criminal enforcement is appropriate are made by a CBP officer based on the facts and circumstances known to the officer at the time. Generally, any arriving alien who is determined to be a drug abuser or addict, or who is convicted of, admits having committed, or admits committing, acts which constitute the essential elements of a violation of (or an attempt or conspiracy to violate) any law or regulation of a State, the United States, or a foreign country relating to a controlled substance, is inadmissible to the United States.

The CBP Statement then continued to state that a Canadian citizen working in or facilitating the proliferation of the legal marijuana industry in Canada, coming to the U.S. for reasons unrelated to the marijuana industry will generally be admissible to the U.S. However, if a traveler is found to be coming to the U.S. for reason related to the marijuana industry, they may be deemed inadmissible.

The Company's and its subsidiaries' operations in the United States may be subject to heightened scrutiny.

Government policy changes or public opinion may also result in a significant influence over the regulation of the cannabis industry in Canada, the United States or elsewhere. A negative shift in the public's perception of medical cannabis in the United States or any other applicable jurisdiction could affect future legislation or regulation. Among other things, such a shift could cause state jurisdictions to abandon initiatives or proposals to legalize medical cannabis, thereby limiting the number of new state jurisdictions into which the Company could expand. Any inability to fully implement the Company's expansion strategy may have a material adverse effect on the Company's business, financial condition and results of operations.

Unlike in Canada which has federal legislation uniformly governing the cultivation, distribution, sale and possession of medical and recreational adult use cannabis under the *Cannabis Act* (Canada), investors are cautioned that in the United States, cannabis is largely regulated at the state level. To the Company's knowledge, there are to date a total of 46 states, plus the District of Columbia, that have legalized cannabis in some form. Notwithstanding the permissive regulatory environment of medical cannabis at the state level, cannabis continues to be categorized as a controlled substance under the Controlled Substances Act in the United States and as such, may be in violation of federal law in the United States.

Since 2014, the United States Congress has passed appropriations bills which included provisions to prevent the federal government from using congressionally appropriated funds to enforce federal marijuana laws against regulated medical marijuana actors operating in compliance with state and local law (currently the "**Leahy Amendment**", but also referred to as the Rohrabacher-Farr Amendment).

The Leahy Amendment was set to expire with the 2018 fiscal year on December 31, 2018 (“**2018 Fiscal Year**”), however, Congress approved a nine-week continuing resolution from the 2018 Fiscal Year (the “**Continuing Resolution**”). The Continuing Resolution has the purpose of providing ongoing and consistent protection for the medical cannabis industry until December 7, 2018. Congress has been negotiating the 2019 Fiscal Year appropriations since February 2018. The much relied upon appropriations protecting the medical cannabis industry were renewed in both the House and Senate versions of the 2019 Fiscal Year Appropriations bills, with the expectation that the language will be included in the final 2019 Fiscal Year Appropriations Bill. However, it should be noted that there is no assurance that the final 2019 Fiscal Year Appropriations Bill will include appropriations protecting the medical cannabis industry. Until Congress agrees on the 2019 Fiscal Year Appropriations Bill, Congress may pass additional continuing resolutions from the 2018 Fiscal Year, which resolutions would provide ongoing and consistent protection for the medical cannabis industry.

On December 22, 2018, Congress failed to pass the 2019 Fiscal Year Appropriations Bill, including the Leahy Amendment, causing a shutdown of the federal government. During a federal government shutdown, certain “nonessential” governmental programs are stalled; however, federal law enforcement and prosecution actions are exempted from furlough, thus Drug Enforcement Administration agents and federal prosecutors can operate without any restriction otherwise imposed by the spending bill regarding interference with the cannabis industry. Accordingly, during a shutdown, there can be no assurance that the federal government will not seek to prosecute cases involving medical cannabis business that are otherwise compliant with state law.

Medical cannabis has largely been shielded from federal enforcement actions by acts of the United States Congress in the form of what is commonly called the “Rohrabacher-Blumenauer Amendment,” which prevents federal prosecutors from using federal funds to impede the implementation of medical cannabis laws enacted at the state-level, subject to the United States Congress restoring such funding. This amendment has always applied solely to medical cannabis programs and has no effect on the pursuit of recreational cannabis activities. The amendment has historically been passed as an amendment to omnibus appropriations bills, which by their nature expire at the end of a fiscal year or other defined term. Most recently, the amendment was renewed in the Commerce-Justice-Science (CJS) appropriations package for 2026 (H.R. 6938) and its effective through September 30, 2026.

In July 2020, the House of Representatives passed the “Blumenauer-McClintock-Norton-Lee amendment,” to the CJS appropriations bill for 2021 (H.R. 7617). That amendment proposed extending the Rohrabacher-Blumenauer Amendment’s protections for state medical cannabis programs to include recreational programs in states where recreational cannabis is legal. The amendment was not included in the final spending bill and at this time the protections afforded by the Rohrabacher-Blumenauer Amendment apply only to medical cannabis programs.

Should the Rohrabacher-Blumenauer Amendment language not be extended beyond September 30, 2026, there can be no assurance that the federal government will not seek to prosecute cases involving medical cannabis businesses that are otherwise compliant with state law.

Regulatory Action and Approvals from the Food and Drug Administration

The Company’s cannabis-based products are supplied to patients diagnosed with certain medical conditions. However, the Company’s cannabis-based products are not approved by the Food and Drug Administration (“**FDA**”) as “drugs” or for the diagnosis, cure, mitigation, treatment, or prevention of any disease. Accordingly, the FDA may regard any promotion of the cannabis-based products as the promotion of an unapproved drug in violation of the Federal Food, Drug and Cosmetic Act (“**FFDCA**”).

In recent years, the FDA has issued letters to a number of companies selling products that contain cannabidiol (“**CBD**”) oil derived from industrial hemp warning them that the marketing of their products violates the FFDCA. FDA enforcement action against the Company could result in a number of negative consequences, including fines, disgorgement of profits, recalls or seizures of products, or a partial or total suspension of the Company’s production or distribution of its products. Any such event could have a material adverse effect on the Company’s business, prospects, financial condition, and operating results.

Re-classification of Cannabis in and Removal of Industrial Hemp from the Controlled Substances Act in the United States

On December 28, 2018, the Agricultural Improvement Act of 2018 (commonly known as the “**Farm Bill**”) was signed into law. The Farm Bill, among other things, removed industrial hemp and its cannabidiols, including CBD derived from industrial hemp, from

the Controlled Substances Act and will amend the Agricultural Marketing Act of 1946 to allow for industrial hemp production and sale in the United States. Under the Farm Bill, industrial hemp is defined as “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 delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis.” The U.S. Department of Agriculture will promulgate regulations for the industrial hemp industry, the timing of which cannot be assured. Additionally, the Farm Bill does not legalize CBD derived from “marihuana” (as such term is defined in the Controlled Substances Act), which is and will remain a Schedule I controlled substance under the Controlled Substances Act. It is not yet known what role the FDA will have in regulating industrial hemp and CBD derived from industrial hemp.

Hemp products, including psychoactive hemp-derived products, are subject to state and federal regulation in respect to the production, distribution and sale of products intended for human ingestion or topical application. Hemp is categorized as *Cannabis sativa* L., a subspecies of the cannabis genus. Numerous unique, chemical compounds are extractable from hemp, including CBD, THC and its various isomers (e.g., delta-8 THC, delta-9 THC, delta-10 THC, etc.), and other cannabinoids such as THC-A and THC-O (collectively, “THC Variants”). Hemp, as defined in the Farm Bill, is distinguishable from cannabis, which also comes from the *Cannabis sativa* L. subspecies, by its absence of more than trace amounts (0.3% or less) of the psychoactive compound Delta-9 THC.

As a result of the Farm Bill, U.S. federal law dictates that CBD and THC Variants derived from hemp are not controlled substances; however, products derived from hemp may still be considered a controlled substance under applicable state law. Individual states take varying approaches to regulating the production and sale of hemp and hemp-derived CBD and THC Variants. Some states explicitly authorize and regulate the production and sale of hemp-derived CBD and THC Variants or otherwise provide legal protection for authorized individuals to engage in commercial hemp activities. Other states, however, maintain laws that do not distinguish between cannabis and hemp and/or hemp-derived CBD or THC Variants which results in hemp being classified as a controlled substance under certain state laws.

In addition, the Farm Bill preserves the authority and jurisdiction of the FDA under the FFDCa 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 THC Variants. The Food and Drug Administration has not evaluated or approved CBD or THC Variants, and therefore does not consider them to be GRAS (Generally Recognized as Safe) for use in foods. The FDA has also found that because CBD and THC are in certain drugs approved by FDA, they cannot be used in foods or dietary supplements. Accordingly, per the FDA, foods and dietary supplements containing CBD and THC Variants do not comply with the FFDCa. FDA enforcement of its position has thus far been minimal and limited to sending warning letters to a relatively small number of companies.

The approach to the enforcement of cannabis laws may be subject to change or may not proceed as previously outlined.

Additional Risk Factors

An investment in the securities of the Company is speculative, involving a high degree of risk. There are several risk factors that could cause the Company’s actual results, performance, and achievements to differ materially from those described herein. If any of these risks occur, the Company’s business may be harmed, and its financial condition and results of operations may suffer significantly. Such risk factors include, but are not limited to, the risks discussed in this MD&A.

The Credit Agreement

The Credit Agreement requires the Company to satisfy certain positive and negative covenants, including items such as restrictions on its ability to dispose of assets, make certain investments or incur additional debt as well as to maintain certain minimum cash thresholds. These covenants may prevent the Company from taking actions that it believes would be in the best interest of its business and may make it difficult for it to execute its business strategy successfully or effectively compete with businesses that are not subject to the same restrictions. The Company’s ability to comply with these covenants may be affected by economic, financial and industry conditions beyond its control, including credit or capital market disruptions. The breach of any of these covenants could result in a default that would permit the lenders under the notes to declare all amounts outstanding to be due and payable, together with accrued and unpaid interest. There is no assurance that the Company will be able to secure additional financing to repay the loan should cash flows from operations be insufficient to repay the indebtedness, whether it is in default or not. If the Company is unable to repay the indebtedness, the lenders could proceed against the collateral securing

the indebtedness. This could have serious consequences to the Company's financial position and results of operations and could cause it to become bankrupt or insolvent.

Liquidity Risks

The Company is exposed to counterparty risks and liquidity risks, including, but not limited to, through: (i) financial institutions that may hold the Company's cash and cash equivalents; (ii) companies that will have payables to the Company; (iii) the Company's insurance providers; and (iv) the Company's lenders. These factors may impact the Company's ability to obtain loans and other credit facilities in the future and, if obtained, on favourable terms. If these risks materialize, the Company's operations could be adversely impacted, and the market price of the Company's shares could be adversely affected.

Profitability

The Company has incurred losses in recent periods and has negative net income, including the fiscal years ended December 31, 2025 and December 31, 2024. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Company expects to continue to invest in the business and incur operating expenses as it implements initiatives to continue to improve the business. If the Company's revenues do not increase to offset these expenses, the Company will not be profitable. If the Company's revenue declines or fails to grow at a rate faster than its expenses, and the Company is unable to secure funding under terms that are favorable or acceptable, or at all, the Company will not be able to achieve and maintain profitability in future periods. As a result, the Company may continue to generate losses. The Company may not achieve profitability in the future and, even if it does become profitable, the Company might not be able to sustain that profitability. There is no assurance that future revenues will be sufficient to generate the funds required to continue operations without external funding.

Negative Operating Cash Flow and Ability to Continue as a Going Concern

The Company has negative cash flow from operating activities and has historically incurred net losses. There is no assurance that sufficient revenues will be generated in the near future. To the extent that the Company has negative operating cash flows in future periods, it may need to deploy a portion of its existing working capital to fund such negative cash flows. The Company may be required to raise additional funds through the issuance of additional equity securities or through loan financing. There is no assurance that additional capital or other types of financing will be available if needed or that these financings will be on terms at least as favourable to the Company as those previously obtained, or at all. The Company's ability to successfully raise additional capital and maintain liquidity may be impaired by factors outside of its control, such as a shift in consumer preferences or a downturn in the economy.

The Company's Interim Consolidated Financial Statements have been prepared assuming that the Company will continue as a going concern. The going concern basis of accounting contemplates the realization of assets and the settlement of liabilities in the normal course of business. As at March 31, 2026, the Company had cash and cash equivalents of \$8,334 and a working capital deficit of (\$5,805). For the three months ended March 31, 2026, the Company incurred a net loss of (\$16,817) and experienced negative operating cash flows of (\$1,771). These conditions indicate the existence of events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon its continued operations, which in turn is dependent upon, among other things, the Company's ability to meet its financial requirements. There is no assurance that the Company will be successful in its plans to fund its operations and debt obligations as they become due and payable.

Artificial Intelligence

The Company's use of, or failure to effectively implement, artificial intelligence ("AI") and automated systems could lead to operational disruptions, data inaccuracies, erroneous outputs, or legal liabilities. AI technologies are complex, rapidly changing, and may not operate as intended. The regulatory landscape for AI is nascent; new laws may impose costly compliance requirements, differ across jurisdictions, and restrict the Company's ability to use certain AI technologies. Furthermore, the use of generative AI by the Company's employees or third-party service providers could result in privacy and data security concerns, or the unintended disclosure of trade secrets or intellectual property.

The Company may incorporate AI technologies into its business operations, such as its cultivation monitoring, supply chain forecasting, and retail customer engagement platforms. If the algorithms of the AI technologies used are flawed, or if the data used to train them is biased or inaccurate, it could lead to suboptimal cultivation yields, inventory imbalances, or discriminatory marketing practices. The Company aims to use AI technologies responsibly, and identify and mitigate associated ethical, legal, and technical risks, but the Company may not detect or resolve issues before they occur.

Risk Factors Relating to the Vireo Arrangement

The completion of the Vireo Arrangement is subject to the satisfaction or waiver of several conditions precedent

The completion of the Vireo Arrangement is subject to a number of conditions precedent, some of which are outside of the control of the Company, including, among other things, receipt of approval by shareholders of the Company, court approvals, completion of the required filings with the CSE for the listing of Vireo Shares issuable pursuant to the Vireo Arrangement, regulatory approvals, there not having occurred a material adverse effect in respect of the Company or Vireo, shareholders of the Company not having validly exercised dissent rights with respect to more than 6% of the issued and outstanding shares of the Company, and the satisfaction of certain other customary closing conditions. In addition, the regulatory approval processes may take a lengthy period of time to complete, which could delay completion of the Vireo Arrangement.

There can be no certainty, nor can the Company provide any assurance, that all conditions precedent to the Vireo Arrangement will be satisfied or waived, nor can there be any certainty of the timing of their satisfaction or waiver.

The Arrangement Agreement may be terminated by the parties in certain circumstances

The Arrangement Agreement may be terminated by the parties in certain circumstances, in which case the Vireo Arrangement will not be completed. Accordingly, there is no certainty, nor can the Company provide any assurance, that the Arrangement Agreement will not be terminated by any of the Company or Vireo before the completion of the Vireo Arrangement. If the Arrangement Agreement is terminated and the Board decides to seek another merger or business combination, there can be no assurance that it will be able to find a party willing to agree to an equivalent or more attractive price than the price to be paid pursuant to the Vireo Arrangement.

The failure to complete the Vireo Arrangement could negatively impact the Company and have an adverse impact on the market price of the common shares of the Company and/or on the current and future business, financial condition and prospects of the Company

If the Vireo Arrangement is not completed for any reason, including a failure to satisfy the conditions precedent or a termination of the Arrangement Agreement, there are risks that such failure to complete the Vireo Arrangement could adversely impact the market price of the common shares of the Company to the extent that the current market price of the common shares of the Company reflects a market assumption that the Vireo Arrangement will be completed. Depending on the reasons for the Vireo Arrangement not being completed, such failure to complete the Vireo Arrangement could have an adverse impact on the current and future business, operations, results of operations, financial condition and prospects of the Company.

The market value of the Vireo Shares to be issued in connection with the Vireo Arrangement has and may continue to fluctuate between the date of the Arrangement Agreement and the completion of the Vireo Arrangement

Pursuant to the Vireo Arrangement, at the effective time of the Vireo Arrangement (the “Effective Time”), each shareholder of the Company will be entitled to receive 0.0705359 Vireo Shares in exchange for each common share of the Company (after conversion of all (i) proportionate voting shares of the Company and (ii) non-voting, non-participating exchangeable shares of the Company) held at the Effective Time, subject to adjustment in accordance with the Arrangement Agreement (the “Consideration”). Because the Consideration is fixed and will not increase or decrease due to fluctuations in the market price of the Vireo Shares or the common shares of the Company, the market value represented by the Consideration has and may continue to fluctuate. The market value of each of the Vireo Shares and the common shares of the Company could fluctuate significantly prior to the effective date of the Vireo Arrangement (the “Effective Date”) in response to various factors and events, including, without limitation, the differences between the parties’ actual financial or operating results and those expected by investors and analysts, changes in analysts’ projections or recommendations, changes in, or market perceptions of changes in, the business, operations or prospects of the Company and/or Vireo, market assessments of the likelihood the Vireo Arrangement will be consummated, cannabis regulatory developments in the United States, changes in general economic or market conditions, changes in interest rates and general macro-economic conditions, broad market fluctuations and other factors over which neither

Vireo nor the Company has control. If the market price of the Vireo Shares declines, the value of the Consideration to be received by shareholders of the Company at the Effective Time will decline as well. As a result of such fluctuations, historical market prices are not indicative of future market prices or the market value of the Vireo Shares that shareholders of the Company will receive on the Effective Date. There can be no assurance that the market value of the Consideration that shareholders of the Company receive on the Effective Date will equal or exceed the market value of the common shares of the Company held by such shareholders of the Company after the date hereof and prior to the Effective Date. There can also be no assurance that the trading price of the Vireo Shares will not decline or experience volatility following the completion of the Vireo Arrangement.

The parties will incur substantial costs in connection with the proposed Vireo Arrangement, even if the Vireo Arrangement is not completed. In certain circumstances, the Company may be required to pay the Termination Fee

The Company and Vireo have incurred and expect to incur additional material non-recurring expenses in connection with the Vireo Arrangement and completion of the transactions contemplated by the Arrangement Agreement, including costs relating to obtaining required shareholder and regulatory approvals. Additional unanticipated costs may be incurred by Vireo in the course of coordinating the businesses of the Company and Vireo after completion of the Vireo Arrangement. If the Vireo Arrangement is not completed, the Company will need to pay certain costs relating to the Vireo Arrangement incurred prior to the date the Vireo Arrangement was abandoned, such as legal, accounting, financial advisory and printing fees. In addition, if the Vireo Arrangement is not completed for certain reasons as set out in the Arrangement Agreement, the Company may be required to pay a termination fee in the amount of \$2,000 (the "Termination Fee") to Vireo. Such costs may be significant and could have an adverse effect on the Company's cash resources, cash flows and financial condition.

If the Arrangement Agreement is terminated and the Company is required to pay the Termination Fee to Vireo pursuant to the terms of the Arrangement Agreement, third parties may be discouraged from making a proposal to acquire the Company, even if such proposal could provide greater value to the shareholders of the Company than the Vireo Transaction. Even if the Arrangement Agreement is terminated without payment of the Termination Fee, the Company may, in the future, be required to pay the Termination Fee in certain circumstances. Accordingly, if the Vireo Arrangement is not consummated and the Arrangement Agreement is terminated, the Company may not be able to consummate an alternative transaction that could provide greater value than what is provided for under the Vireo Arrangement without paying the Termination Fee. In addition, payment of the Termination Fee, may have a significant adverse effect on the cash resources and financial results of the Company.

The Arrangement Agreement contains provisions that restrict the ability of the Company and the Board to pursue alternatives to the Vireo Arrangement

Under the Arrangement Agreement, the Company is restricted, subject to certain exceptions, from soliciting, initiating, knowingly encouraging or otherwise facilitating, discussing or negotiating, or furnishing information with regard to, any acquisition proposal or any inquiry, proposal or offer relating to any acquisition proposal from any person. Such restrictions may prevent the Company from pursuing attractive business opportunities that may arise prior to the completion of the Vireo Arrangement. If the Board determines in good faith, after consultation with its outside financial and legal advisors, and after taking into account all the terms and conditions of an acquisition proposal and all factors and matters considered appropriate in good faith by the Board, that such acquisition proposal would, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction that is more favourable, from a financial point of view, to the shareholders of the Company than the Vireo Arrangement (including any adjustments to the terms and conditions of the Vireo Arrangement proposed by Vireo pursuant to the Arrangement Agreement), and the Board recommends such acquisition proposal to the shareholders of the Company or if the Company approves, accepts, executes or enters into an acquisition agreement with respect to a superior proposal, Vireo would be entitled to terminate the Arrangement Agreement and receive the Termination Fee.

The Vireo Arrangement may divert the attention of the Company's management, impact the Company's ability to attract or retain key personnel or impact the Company's third party business relationships

The Vireo Arrangement could cause the attention of the Company's management to be diverted from the day-to-day operations of the Company. These disruptions could be exacerbated by a delay in the completion of the Vireo Arrangement and could result in lost opportunities or negative impacts on performance, which could have an adverse effect on the current and future business, operations, financial condition and results of operations or prospects of the Company if the Vireo Arrangement is not completed, and on Vireo following the Effective Date. Because the completion of the Vireo Arrangement is subject to uncertainty, officers and employees of the Company may experience uncertainty about their future roles, which may adversely affect the Company's ability to attract or retain key management and personnel in the period until the completion or termination of the Vireo Arrangement.

In addition, third parties with which the Company currently has business relationships, including industry partners, customers and suppliers, may experience uncertainty associated with the Vireo Arrangement, including with respect to current or future relationships with the Company or Vireo following completion of the Vireo Arrangement, as applicable. Such uncertainty could have an adverse effect on the current and future business, operations, results of operations, financial condition and prospects of the Company and Vireo following completion of the Vireo Arrangement.

The anticipated benefits of the Vireo Arrangement may not be realized

Achieving the benefits of the Vireo Arrangement depends in part on the ability of Vireo following completion of the Vireo Arrangement to effectively capitalize on its scale, to realize the anticipated capital and operating synergies, to profitably sequence the growth prospects of its asset base and to maximize the potential of its improved growth opportunities and capital funding opportunities as a result of integrating the businesses and operations of the Company and Vireo.

The ability to realize the benefits of the Vireo Arrangement will depend in part on successfully consolidating functions and integrating operations, procedures and personnel in a timely and efficient manner, as well as on Vireo's ability to realize the anticipated growth opportunities and synergies from integrating the Company's and Vireo's respective businesses, following completion of the Vireo Arrangement. The integration of the Company's and Vireo's businesses requires the dedication of substantial effort, time and resources on the part of Vireo's management which may divert Vireo's management's focus and resources from other strategic opportunities available to it following completion of the Vireo Arrangement and from operational matters during this process.

In addition, the integration process could result in disruption of existing relationships with suppliers, employees, customers and other constituencies of the Company and Vireo. There can be no assurance that Vireo's management will be able to integrate the operations of the business or assets successfully or achieve any of the synergies or other benefits that are anticipated as a result of the Vireo Arrangement. Many operational and strategic decisions and certain staffing decisions with respect to integration have not yet been made. These decisions and the integration of the companies and assets may present challenges to Vireo's management, including the integration of systems and personnel of the companies which may be geographically separated, unanticipated liabilities, and unanticipated costs. It is possible that the integration process could result in the loss of key employees, the disruption of the respective ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the ability of their respective management to maintain relationships with clients, suppliers, employees or to achieve the anticipated benefits of the Vireo Arrangement. The performance of Vireo's operations after completion of the Vireo Arrangement could be adversely affected if Vireo cannot identify, attract and retain key employees to assist in the integration and operation of the Company and Vireo.

The consummation of the Vireo Arrangement may pose special risks, including one-time write-offs, restructuring charges and unanticipated costs. Although each of the Company and Vireo and their respective advisors have conducted due diligence on the various operations, there can be no guarantee that Vireo will be aware of any and all liabilities of the Company. As a result of these factors, it is possible that certain benefits expected from the Vireo Arrangement may not be realized. Any inability of management to successfully integrate the operations could have a material adverse effect on the business, financial condition and results of operations of Vireo.

The exercise of dissent rights may impact cash resources or result in the Vireo Arrangement not being completed

Shareholders entitled to vote at the Special Meeting have the right to exercise certain dissent and appraisal rights and demand payment of the fair value of their shares of the Company in connection with the Vireo Arrangement in accordance with the OBCA, as modified by the Plan of Arrangement and the Interim Order of the Ontario Superior Court of Justice (Commercial List). If shareholders of the Company exercise dissent rights in respect of a significant number of shares of the Company, a substantial aggregate cash payment may be required if ordered by the Ontario Superior Court of Justice (Commercial List), to be made by the Company that could have an adverse effect on Vireo's cash resources, cash flows and financial condition if the Vireo Arrangement is completed. If, as of the Effective Date, the aggregate number of shares of the Company in respect of which shareholders of the Company have validly exercised dissent rights exceeds 6% of the shares of the Company then outstanding, Vireo is entitled, in its discretion, not to complete the Vireo Arrangement.

The Company and Vireo may be the target of legal claims, securities class actions, derivative lawsuits and other claims, which may delay or prevent the Vireo Arrangement from being completed

The Company and Vireo may be the target of securities class actions and derivative lawsuits which could result in substantial costs and may delay or prevent the Vireo Arrangement from being completed. Securities class action lawsuits and derivative lawsuits are often brought against companies that have entered into an agreement to acquire a public company or to be acquired. Third parties may also attempt to bring claims against the Company and Vireo seeking to restrain the Vireo Arrangement or seeking monetary compensation or other remedies. Even if the lawsuits are without merit, defending against these claims can result in substantial costs and divert management time and resources. Additionally, if a plaintiff is successful in obtaining an injunction prohibiting consummation of the Vireo Arrangement, then that injunction may delay or prevent the Vireo Arrangement from being completed.

In addition, political and public attitudes towards the Vireo Arrangement could result in negative press coverage and other adverse public statements affecting the Company and Vireo. Adverse press coverage and other adverse statements could lead to investigations by regulators, legislators and law enforcement officials or in legal claims or otherwise negatively impact the ability of Vireo to take advantage of various business and market opportunities. The direct and indirect effects of negative publicity, and the demands of responding to and addressing it, may have a material adverse effect on the Company and Vireo's business, financial condition and results of operations.

SCHEDULE J
AUDIT COMMITTEE CHARTER

See Attached.

FLUENT Corp.

AUDIT COMMITTEE CHARTER

Article 1 – mandate and responsibilities

The audit committee is appointed by the board of directors of the Corporation (the “board”) to oversee the accounting and financial reporting process of the Corporation and audits of the financial statements of the Corporation. The audit committee’s primary duties and responsibilities are to:

- (a) recommend to the board the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation;
- (b) recommend to the board the compensation of the external auditor;
- (c) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (d) pre-approve all non-audit services to be provided to the Corporation or its subsidiaries by the Corporation’s external auditor;
- (e) review the Corporation’s financial statements, MD&A and annual and interim earnings press releases before the Corporation publicly discloses this information;
- (f) be satisfied that adequate procedures are in place for the review of all other public disclosure of financial information extracted or derived from the Corporation’s financial statements, and to periodically assess the adequacy of those procedures;
- (g) establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and
- (h) review and approve the Corporation’s hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

The board and management will ensure that the audit committee has adequate funding to fulfill its duties and responsibilities.

Article 2 – pre-approval of non-audit services

The audit committee may delegate to one or more of its members the authority to pre-approve non-audit services to be provided to the Corporation or its subsidiaries by the Corporation's external auditor. The pre-approval of non-audit services must be presented to the audit committee at its first scheduled meeting following such pre-approval.

The audit committee may satisfy its duty to pre-approve non-audit services by adopting specific policies and procedures for the engagement of the non-audit services, provided the policies and procedures are detailed as to the particular service, the audit committee is informed of each non-audit service and the procedures do not include delegation of the audit committee's responsibilities to management.

Article 3 – external advisors

The audit committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the external auditors as well as anyone in the organization. The audit committee has the ability to retain, at the Corporation's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

Article 4 – external auditors

The external auditors are ultimately accountable to the audit committee and the board, as representatives of the shareholders. The external auditors will report directly to the audit committee. The audit committee will:

- review the independence and performance of the external auditors and annually recommend to the board the nomination of the external auditors or approve any discharge of external auditors when circumstances warrant;
- approve the fees and other significant compensation to be paid to the external auditors;
- on an annual basis, review and discuss with the external auditors all significant relationships they have with the Corporation that could impair the external auditors' independence;
- review the external auditors' audit plan to see that it is sufficiently detailed and covers any significant areas of concern that the audit committee may have;
- before or after the financial statements are issued, discuss certain matters required to be communicated to audit committees in accordance with the standards established by the Chartered Professional Accountants of Canada;

- consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in the Corporation's financial reporting;
- consider the external auditors' judgments regarding any alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditors;
- resolve any disagreements between management and the external auditors regarding financial reporting; and
- approve in advance all audit services and any non-prohibited non-audit services to be undertaken by the external auditors for the Corporation.

Article 5 – legal compliance

On at least an annual basis, the audit committee will review with the Corporation's legal counsel any legal matters that could have a significant impact on the organization's financial statements, the Corporation's compliance with applicable laws and regulations and inquiries received from regulators or governmental agencies.

Article 6 - complaints

Individuals are strongly encouraged to approach a member of the audit committee with any complaints or concerns regarding accounting, internal accounting controls or auditing matters. The audit committee will from time to time establish procedures for the submission, receipt and treatment of such complaints and concerns. In all cases the audit committee will conduct a prompt, thorough and fair examination, document the situation and, if appropriate, recommend to the board appropriate corrective action.

To the extent practicable, all complaints will be kept confidential. The Corporation will not condone any retaliation for a complaint made in good faith

SCHEDULE K

COMPARISON OF SHAREHOLDER RIGHTS UNDER THE OBCA AND THE BCBCA

The BCBCA provides shareholders with substantially the same rights as are available to shareholders under the OBCA, including rights of dissent and appraisal and rights to bring derivative actions and oppression actions. However, there are certain differences between the two statutes and the regulations made thereunder.

The following is a summary of certain differences between the OBCA and the BCBCA, but it is not intended to be a comprehensive review of the two statutes. Reference should be made to the full text of both statutes and the regulations thereunder for particulars of any differences between them, and Shareholders should consult their legal or other professional advisors with regard to all of the implications of the Arrangement which may be of importance to them.

Capitalized terms used in this Schedule K shall have the meanings ascribed to them in the Circular.

Charter Documents

Under the OBCA, a corporation's charter documents consist of "articles of incorporation", which set forth, among other things, the name of the corporation and the amount and type of authorized capital, and the "bylaws", which govern the management of the corporation. The articles are filed with the Director under the OBCA and the by-laws are filed with the corporation's registered office, or at another location designated by the corporation's directors.

Under the BCBCA, the charter documents consist of a "notice of articles", which sets forth, among other things, the name of the corporation and the amount and type of authorized capital, and "articles" which govern the management of the corporation. The notice of articles is filed with the Registrar of Companies, while articles are filed only with the corporation's registered and records office.

Sale of Business or Assets

The OBCA requires approval of the holders of two-thirds of the shares of a corporation represented at a duly called meeting to approve a sale, lease or exchange of all or substantially all of the property of the corporation that is other than in the ordinary course of business of the corporation. Holders of shares of a class or series, whether or not they are otherwise entitled to vote, can vote separately only if that class or series is affected by the sale, lease or exchange in a manner different from the shares of another class or series.

Under the BCBCA, the directors of a corporation may sell, lease or otherwise dispose of all or substantially all of the undertaking of the corporation only if it is in the ordinary course of the corporation's business or with shareholder approval authorized by special resolution. Under the BCBCA, a special resolution requires the approval of a "special majority", which means the majority specified in a corporation's articles, if such specified majority is at least two-thirds and not more than by three-quarters of the votes cast by those shareholders voting in person or by proxy at a general meeting of the corporation. If the articles do not contain a provision stipulating the special majority, then a special resolution is passed by at least two-thirds of the votes cast on the resolution.

Amendments to the Charter Documents of a Corporation

Under the OBCA, certain amendments to the charter documents of a corporation require a resolution passed by not less than two-thirds of the votes cast by the shareholders voting on the resolution authorizing the amendments and, where certain specified rights of the holders of a class or series of shares are affected by the amendments differently than the rights of the holders of other classes or series of shares, such holders are entitled to vote separately as a class or series, whether or not such class or series of shares

otherwise carry the right to vote. A resolution to amalgamate an OBCA corporation requires a special resolution passed by the holders of each class or series of shares, whether or not such shares otherwise carry the right to vote, if such class or series of shares are affected differently.

Changes to the articles of a corporation under the BCBCA will be effected by the type of resolution specified in the articles of a corporation, which, for many alterations, including change of name or alterations to the articles, could provide for approval solely by a resolution of the directors. In the absence of anything in the articles, most corporate alterations will require a special resolution of the shareholders to be approved by not less than two-thirds of the votes cast by the shareholders voting on the resolution. Alteration of the special rights and restrictions attached to issued shares requires, subject to the requirements set forth in the corporation's articles, consent by a special resolution of the holders of the class or series of shares affected. A proposed amalgamation or continuation of a corporation out of the jurisdiction generally requires shareholders approve the adoption of the amalgamation agreement by way of a special resolution.

Rights of Dissent and Appraisal

The OBCA contains a similar dissent remedy to that contained in the BCBCA, although the procedure for exercising this remedy is different. Subject to specified exceptions, dissent rights are available where the corporation resolves to:

- (a) amend its articles to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation;
- (b) amend its articles to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise;
- (c) amalgamate with another corporation;
- (d) be continued under the laws of another jurisdiction; or
- (e) sell, lease or exchange all or substantially all its property.

The BCBCA provides that shareholders, including beneficial holders, who dissent from certain actions being taken by a corporation, may exercise a right of dissent and require the corporation to purchase the shares held by such shareholder at the fair value of such shares. The dissent right is applicable where the corporation proposes to:

- (a) alter the articles to alter restrictions on the powers of the corporation or on the business it is permitted to carry on;
- (b) adopt an amalgamation agreement;
- (c) approve an amalgamation under Division 4 of Part 9 of the BCBCA;
- (d) approve an arrangement, the terms of which arrangement permit dissent;
- (e) authorize or ratify the sale, lease or other disposition of all or substantially all of the corporation's undertaking; or
- (f) authorize the continuation of the corporation into a jurisdiction other than British Columbia.

In certain circumstances, shareholders may also be entitled to dissent in respect of a resolution if dissent is authorized by such resolution, or if permitted by court order.

Oppression Remedies

Under the OBCA a registered shareholder, beneficial shareholder, former registered shareholder or beneficial shareholder, director, former director, officer, former officer of a corporation or any of its affiliates, or any other person who, in the discretion of a court, is a proper person to seek an oppression remedy, and in the case of an offering corporation, the Ontario Securities Commission, may apply to a court for an order to rectify the matters complained of where in respect of a corporation or any of its affiliates:

- (a) any act or omission of a corporation or its affiliates effects or threatens to effect a result;
- (b) the business or affairs of a corporation or its affiliates are or have been or are threatened to be carried on or conducted in a manner; or
- (c) the powers of the directors of the corporation or any of its affiliates are, have been or are threatened to be exercised in a manner,

that is oppressive or unfairly prejudicial to, or that unfairly disregards the interests of any security holder, creditor, director or officer of the corporation.

On such an application, the court may make such order as it sees fit, including but not limited to, an order restraining the conduct complained of.

The oppression remedy under the BCBCA is similar to the remedy found in the OBCA, with a few differences. Under the OBCA, the applicant can complain not only about acts of the corporation and its directors but also acts of an affiliate of the corporation and the affiliate's directors, whereas under the BCBCA, the shareholder can only complain of oppressive conduct of the corporation. Under the BCBCA the applicant must bring the application in a timely manner, which is not required under the OBCA, and the court may make an order in respect of the complaint if it is satisfied that the application was brought by the shareholder in a timely manner. As with the OBCA, the court may make such order as it sees fit, including an order to prohibit any act proposed by the corporation. Under the OBCA a corporation is prohibited from making a payment to a successful applicant in an oppression claim if there are reasonable grounds for believing that (a) the corporation is, or after the payment, would be unable to pay its liabilities as they become due, or (b) the realization value of the corporation's assets would thereby be less than the aggregate of its liabilities; under the BCBCA, if there are reasonable grounds for believing that the corporation is, or after a payment to a successful applicant in an oppression claim would be, unable to pay its debts as they become due in the ordinary course of business, the corporation must make as much of the payment as possible and pay the balance when the corporation is able to do so.

Shareholder Derivative Actions

A broader right to bring a derivative action is contained in the OBCA than is found in the BCBCA, and this right extends to former shareholders, directors or officers of a corporation or its affiliates, and any person who, in the discretion of the court, is a proper person to make an application to court to bring a derivative action. In addition, the OBCA permits derivative actions to be commenced in the name and on behalf of a corporation or any of its subsidiaries. The complainant must provide the directors of the corporation or its subsidiary with fourteen days' notice of the complainant's intention to apply to the court to bring a derivative action, unless all of the directors of the corporation or its subsidiary are defendants in the action.

Under the BCBCA, a shareholder, defined as including a beneficial shareholder and any other person whom the court considers to be an appropriate person to make an application under the BCBCA, or a director of a corporation may, with leave of the court, bring a legal proceeding in the name and on behalf of the corporation to enforce a right, duty or obligation owed to the corporation that could be enforced by the corporation itself, or to obtain damages for any breach of such a right, duty or obligation. An applicant may also, with leave of the court and in the name and on behalf of the corporation, defend a legal proceeding brought against a corporation.

Requisition of Meetings

The OBCA permits the holders of not less than 5% of the issued shares of a corporation that carry the right to vote to require the directors to call and hold a meeting of the shareholders of the corporation for the purposes stated in the requisition. Subject to certain exceptions, if the directors fail to provide notice of a meeting within 21 days of receiving the requisition, any shareholder who signed the requisition may call the meeting.

The BCBCA provides that one or more shareholders of a corporation holding not less than 5% of the issued voting shares of the corporation may give notice to the directors requiring them to call and hold a general meeting which meeting must be held within 4 months of receiving the requisition. Subject to certain exceptions, if the directors fail to provide notice of a meeting within 21 days of receiving the requisition, the requisitioning shareholders, or any one or more of them holding more than 2.5% of the issued shares of the corporation that carry the right to vote at general meetings may send notice of a general meeting to be held to transact the business stated in the requisition.

Form and Solicitation of Proxies, Information Circular

The OBCA also contains provisions prescribing the form and content of notices of meeting and information circulars. Under the OBCA, a person who solicits proxies, other than by or on behalf of management of the corporation, must send a dissident's proxy circular in prescribed form to each shareholder whose proxy is solicited and certain other recipients. Pursuant to the OBCA a person may solicit proxies without sending a dissident's proxy circular if either (i) the total number of shareholders whose proxies solicited is 15 or fewer (with two or more joint holders being counted as one shareholder), or (ii) the solicitation is, in certain prescribed circumstances, conveyed by public broadcast, speech or publication.

Under the BCBCA, the management of a public corporation, concurrently with sending a notice of meeting of shareholders, must send a form of proxy to each shareholder who is entitled to vote at the meeting as well as an information circular containing prescribed information regarding the matters to be dealt with at the meeting. The required information is substantially the same as the requirements that apply to the corporation under applicable securities laws. The BCBCA does not place any restriction on the method of soliciting proxies.

Place of Shareholders' Meetings

The OBCA provides that, subject to the articles and any unanimous shareholder agreement, meetings of shareholders may be held either inside or outside Ontario as the directors may determine, or in the absence of such a determination, at the place where the registered office of the corporation is located.

The BCBCA requires all meetings of shareholders to be held in British Columbia unless: (i) a location outside the province of British Columbia is provided for in the articles; (ii) the articles do not restrict the corporation from approving a location outside of the province of British Columbia for holding of the general meeting and the location of the meeting is approved by the resolution required by the articles for that purpose or by ordinary resolution if no resolution is required for that purpose by the articles; or (iii) if the location for the meeting is approved in writing by the registrar before the meeting is held.

Directors' Residency Requirements

Neither the BCBCA nor the OBCA has a residency requirement for directors.

Removal of Directors

The OBCA provides that the shareholders of a corporation may by ordinary resolution at an annual or special meeting remove any director or directors from office. An ordinary resolution under the OBCA requires the resolution to be passed, with or without amendment, at the meeting by at least a majority of the votes cast. The OBCA further provides that where the holders of any class or series of shares of a

corporation have an exclusive right to elect one or more directors, a director so elected may only be removed by an ordinary resolution at a meeting of the shareholders of that class or series.

The BCBCA provides that the shareholders of a corporation may remove one or more directors by a special resolution or by any other method specified in the articles. If holders of a class or series of shares have the exclusive right to elect or appoint one or more directors, a director so elected or appointed may only be removed by a separate special resolution of the shareholders of that class or series or by any other method specified in the articles.

Meaning of “Insolvent”

Under the OBCA, a corporation may not pay dividends or purchase or redeem its shares if there are reasonable grounds for believing (i) it is or would be unable to pay its liabilities as they become due; or (ii) it would not meet a net asset solvency test. The net asset solvency tests for different purposes vary somewhat.

Under the BCBCA, for purposes of the insolvency test that must be passed for the payment of dividends and purchases and redemptions of shares, “insolvent” is defined to mean when a corporation is unable to pay its debts as they become due in the ordinary course of its business. Unlike the OBCA, the BCBCA does not impose a net asset solvency test for these purposes. For purposes of proceedings to dissolve or liquidate, the definition of “insolvent” from federal bankruptcy legislation applies.

Reduction of Capital

Under the OBCA, capital may be reduced by special resolution but not if there are reasonable grounds for believing that, after the reduction, (i) the corporation would be unable to pay its liabilities as they become due; or (ii) the realizable value of the corporation’s assets would be less than its liabilities.

Under the BCBCA, capital may be reduced by special resolution or court order. A court order is required if the realizable value of the corporation’s assets would, after the reduction of capital, be less than the aggregate of its liabilities.

Shareholder Proposals

The OBCA allows shareholders entitled to vote or a beneficial owner of shares that are entitled to be voted to submit a notice of a proposal.

The BCBCA includes a more detailed regime for shareholders’ proposals than the OBCA. For example, a person submitting a proposal must have been the registered or beneficial owner of one or more voting shares for at least two years before signing the proposal. In addition, the proposal must be signed by shareholders who, together with the submitter, are registered or beneficial owners of (i) at least 1% of the corporation’s voting shares, or (ii) shares with a fair market value exceeding an amount prescribed by regulation (at present, \$2,000).

Compulsory Acquisition

The OBCA provides a right of compulsory acquisition for an offeror that acquires 90% of the target securities pursuant to a take-over bid or issuer bid, other than securities held at the date of the bid by or on behalf of the offeror.

The BCBCA provides a substantively similar right although there are differences in the procedures and process. Unlike the OBCA, the BCBCA provides that where an offeror does not use the compulsory acquisition right when entitled to do so, a securityholder who did not accept the original offer may require the offeror to acquire the securityholder’s securities on the same terms contained in the original offer.

Investigation/Appointment of Inspectors

Under the OBCA, shareholders can apply to the court for the appointment of an inspector. Unlike the BCBCA, the OBCA does not require an applicant to hold a specified number of shares.

Under the BCBCA, a corporation may appoint an inspector by special resolution. Shareholders holding at least 20% of the issued shares of a corporation may apply to the court for the appointment of an inspector. The court must consider whether there are reasonable grounds for believing there has been oppressive, unfairly prejudicial, fraudulent, unlawful or dishonest conduct.

L-1

SCHEDULE L
FLUENT OPTION PLAN

See Attached.

CANSORTIUM INC.
(the “COMPANY”)

STOCK OPTION PLAN

TABLE OF CONTENTS

	<u>Page</u>
SECTION 1 DEFINITIONS AND INTERPRETATION.....	1
1.1 Definitions	1
1.2 Choice of Law	6
1.3 Headings	6
SECTION 2 GRANT OF OPTIONS	7
2.1 Grant of Options	7
2.2 Record of Option Grants	7
2.3 Effect of Plan	7
SECTION 3 PURPOSE AND PARTICIPATION	8
3.1 Purpose of Plan	8
3.2 Participation in Plan	8
3.3 Limits on Option Grants	8
3.4 Notification of Grant.....	9
3.5 Copy of Plan	9
3.6 Limitation on Service.....	9
3.7 No Obligation to Exercise.....	9
3.8 Agreement.....	9
3.9 Notice.....	9
3.10 Representation.....	10
SECTION 4 NUMBER OF SHARES UNDER PLAN.....	10
4.1 Board to Approve Issuance of Shares	10
4.2 Number of Shares	10
4.3 Fractional Shares	10
SECTION 5 TERMS AND CONDITIONS OF OPTIONS	10
5.1 Exercise Period of Option.....	10
5.2 Number of Shares Under Option.....	11
5.3 Exercise Price of Option	11
5.4 Incentive Stock Options.....	12
5.5 Termination of Option.....	12
5.6 Vesting of Option and Acceleration.....	13
5.7 Stock Appreciation Rights.....	13
5.8 Additional Terms	14
SECTION 6 TRANSFERABILITY OF OPTIONS	14
6.1 Non-transferable	14
6.2 Death of Option Holder	14
6.3 Disability of Option Holder	14
6.4 Disability and Death of Option Holder	15
6.5 Vesting.....	15
6.6 Deemed Non-Interruption of Engagement	15
SECTION 7 EXERCISE OF OPTION	15
7.1 Exercise of Option	15
7.2 Blackout Period.....	16
7.3 Issue of Share Certificates	16
7.4 No Rights as Shareholder	16
7.5 Tax Withholding and Procedures.....	16
7.6 Cashless Exercises	17

SECTION 8 ADMINISTRATION	17
8.1 Board or Committee	17
8.2 Powers of Committee.....	17
8.3 Administration by Committee	18
8.4 Interpretation	18
SECTION 9 APPROVALS AND AMENDMENT	19
9.1 Shareholder Approval of Plan	19
9.2 Amendment of Option or Plan.....	19
SECTION 10 CONDITIONS PRECEDENT TO ISSUANCE OF OPTIONS AND SHARES	19
10.1 Compliance with Laws	19
10.2 Regulatory Approvals.....	19
10.3 Inability to Obtain Regulatory Approvals.....	20
SECTION 11 ADJUSTMENTS AND TERMINATION	20
11.1 Termination of Plan.....	20
11.2 No Grant During Suspension of Plan.....	20
11.3 Alteration in Capital Structure.....	20
11.4 Triggering Events	21
11.5 Notice of Termination by Triggering Event	21
11.6 Determinations to be Made By Committee.....	21

STOCK OPTION PLAN

SECTION 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

As used herein, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the meanings set forth below:

- (a) “Administrator” means such Executive or Employee of the Company as may be designated as Administrator by the Committee from time to time, or, if no such person is appointed, the Committee itself.
- (b) “Associate” means, where used to indicate a relationship with any person:
 - (i) any relative, including the spouse of that person or a relative of that person’s spouse, where the relative has the same home as the person;
 - (ii) any partner, other than a limited partner, of that person;
 - (iii) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity; and
 - (iv) any corporation of which such person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the corporation.
- (c) “Blackout Period” means a restriction imposed by the Company on all or any of its directors, officers, employees, insiders or persons in a special relationship whereby they are to refrain from trading in the Company’s securities until the restriction has been lifted by the Company.
- (d) “Board” means the board of directors of the Company.
- (e) “Change of Control” means the occurrence of any of the following events: (i) the acquisition, directly or indirectly, by any Person or group of Persons acting jointly or in concert, within the meaning of National Instrument 62-104 - Takeover Bids and Issuer Bids (or any successor instrument thereto), of a beneficial interest in voting or equity securities of the Company, together with all voting or equity securities of the Company at the time held beneficially, directly or indirectly by such person or persons acting jointly or in concert, equal to more than 50% of the votes associated with the outstanding voting securities of the Company; (ii) a merger, consolidation, plan of arrangement or reorganization of the Company that results in the beneficial, direct or indirect transfer of more than 50% of the total voting power of the resulting entity’s outstanding securities to a person, or group of persons acting jointly and in concert, who are different from the person(s) that have, beneficially, directly or indirectly, more than 50% of the total voting power prior to such transaction; (iii) any sale, lease, exchange or other transfer (in one transaction or series of

related transactions) of all or substantially all of the Company property and assets, or (iv) the Company's shareholders approving any plan or proposal for the liquidation or dissolution of the Company;

- (f) "Code" means the United States Internal Revenue Code of 1986, as amended, and any regulations thereunder.
- (g) "Committee" means a committee of the Board to which the responsibility of approving the grant of stock options has been delegated, or if no such committee is appointed, the Board itself.
- (h) "Company" means Consortium Inc.;
- (i) "Common Share" means a common share in the capital of the Company.
- (j) "Consultant" means an individual who:
 - (i) is engaged to provide, on an ongoing bona fide basis, consulting, technical, management or other services to the Company or any Subsidiary other than services provided in relation to a "distribution" (as that term is described in the Securities Act);
 - (ii) provides the services under a written contract between the Company or any Subsidiary and the individual or a Consultant Entity (as defined in clause (v) below);
 - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or any Subsidiary; and
 - (iv) has a relationship with the Company or any Subsidiary that enables the individual to be knowledgeable about the business and affairs of the Company or is otherwise permitted by applicable Regulatory Rules to be granted Options as a Consultant or as an equivalent thereof,

and includes:

- (v) a corporation of which the individual is an employee or shareholder or a partnership of which the individual is an employee or partner (a "**Consultant Entity**"); or
- (vi) for an individual who is not a United States resident, an RRSP or RRIF established by or for the individual under which he or she is the beneficiary.
- (k) "Disability" means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than 12 months, and which causes an individual to be unable to engage in any substantial gainful activity, or any other condition of impairment that the Committee, acting reasonably, determines constitutes a disability, provided that an Employee, Executive or Consultant will be deemed disabled if he or she

has received a Social Security disability award letter indicating that he or she has been determined to be totally disabled by the Social Security Administration.

(l) “Employee” means:

- (i) an individual who works full-time or part-time for the Company or any Subsidiary and such other individual as may, from time to time, be permitted by applicable Regulatory Rules to be granted Options as an employee or as an equivalent thereto; or
- (ii) an individual who works for the Company or any Subsidiary either full-time or on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company or any Subsidiary over the details and methods of work as an employee of the Company or any Subsidiary, but for whom income tax deductions are not made at source,

and includes:

- (iii) a corporation wholly-owned by such individual; and
 - (iv) for an individual who is not a United States resident, any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.
- (m) “Exchange” means the stock exchange upon which the Company’s shares principally trade.
- (n) “Executive” means an individual who is a director or officer of the Company or a Subsidiary, and includes:
- (i) a corporation wholly-owned by such individual; and
 - (ii) for an individual who is not a United States resident, any RRSP or RRIF established by or for such individual under which he or she is the beneficiary.
- (o) “Exercise Notice” means the written notice of the exercise of an Option, in the form set out as Schedule B hereto, duly executed by the Option Holder.
- (p) “Exercise Period” means the period during which a particular Option may be exercised and is the period from and including the Grant Date through to and including the Expiry Time on the Expiry Date provided, however, that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
- (q) “Exercise Price” means the price at which an Option is exercisable as determined in accordance with section 5.3.
- (r) “Expiry Date” means the date the Option expires as set out in the Option Certificate or as otherwise determined in accordance with sections 5.4, 6.2, 6.3, 6.4 or 11.4.

- (s) “Expiry Time” means the time the Option expires on the Expiry Date, which is 4:00 p.m. local time in Toronto, Ontario on the Expiry Date.
- (t) “Fair Market Value” means with respect to a Common Share on a particular date, the closing trading price as reported by the Exchange on the immediately preceding trading day; and with respect to a Proportionate Voting Share on a particular start date; such closing trading price multiplied by ten (to reflect the fact that one Proportionate Voting Share is convertible into ten Common Shares);
- (u) “Grant Date” means the date on which the Committee grants a particular Option, which is the date the Option comes into effect provided however that no Option can be exercised unless and until all necessary Regulatory Approvals have been obtained.
- (v) “Incentive Stock Option” means an Option that is labelled or described as an Incentive Stock Option and which qualifies as an Incentive Stock Option within the meaning of Section 422(b) of the Code.
- (w) “Insider” means an insider as that term is defined in the *Securities Act*.
- (x) “Market Value” means the market value of the Shares as determined in accordance with section 5.3.
- (y) “Non-Statutory Stock Option” means an Option granted to a Holder who is a resident of the United States which is not intended to be or does not qualify as an Incentive Stock Option.
- (z) “Option” means a share purchase option granted pursuant to this Plan entitling the Option Holder to purchase Shares of the Company and includes Incentive Stock Options and Non-Statutory Stock Options.
- (aa) “Option Certificate” means the certificate, in substantially the form set out as Schedule A hereto, evidencing the Option.
- (bb) “Option Holder” means a Person or Entity who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person.
- (cc) “Outstanding Issue” means the number of Common Shares that are outstanding (assuming the conversion of all outstanding Proportionate Voting Shares into Common Shares) immediately prior to the Share issuance or grant of Option in question.
- (dd) “Person or Entity” means an individual, natural person, corporation, government or political subdivision or agency of a government, and where two or more persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such partnership, limited partnership, syndicate or group shall be deemed to be a Person or Entity.
- (ee) “Personal Representative” means:

- (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and
 - (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder.
- (ff) “Plan” means this stock option plan as from time to time amended.
- (gg) “Pre-Existing Options” has the meaning ascribed thereto in section 4.1.
- (hh) “Proportionate Voting Share” means a proportionate voting share in the capital of the Company;
- (ii) “Regulatory Approvals” means any necessary approvals of the Regulatory Authorities as may be required from time to time for the implementation, operation or amendment of this Plan or for the Options granted from time to time hereunder.
- (jj) “Regulatory Authorities” means all organized trading facilities on which the Common Shares are listed, and all securities commissions or similar securities regulatory bodies having jurisdiction over the Company, this Plan or the Options granted from time to time hereunder.
- (kk) “Regulatory Rules” means all corporate and securities laws, regulations, rules, policies, notices, instruments and other orders of any kind whatsoever which may, from time to time, apply to the implementation, operation or amendment of this Plan or the Options granted from time to time hereunder including, without limitation, those of the applicable Regulatory Authorities.
- (ll) “*Securities Act*” means the *Securities Act* (Ontario) as from time to time amended.
- (mm) “Share” or “Shares” means, as the case may be, one or more Common Shares or Proportionate Voting Shares in the capital of the Company.
- (nn) “Stock Appreciation Right” means a stock appreciation right granted to an Option Holder in connection with an Option granted to the Option Holder under this Plan, entitling the Option Holder to elect, in lieu of exercising the Option to purchase Shares from the Company, to receive a reduced net number of Shares from the Company without paying the Exercise Price otherwise due upon exercise of the Option, as described in section 5.7 below.
- (oo) “Subsidiary” means a wholly-owned or controlled subsidiary corporation of the Company.
- (pp) “Ten Percent Shareholder Participant” means a Holder to whom an Incentive Stock Option is granted pursuant to the provisions of the Plan who is, on the date of the grant, the owner of stock (as determined under Section 424(d) of the Code) possessing more than 10% of the

total combined voting power of all classes of stock of the Company or its parent, if any, or its subsidiary corporations (as defined in Code Section 424(e)).

(qq) “Triggering Event” means:

- (i) the proposed dissolution, liquidation or wind-up of the Company;
- (ii) a proposed merger, amalgamation, arrangement or reorganization of the Company with one or more corporations as a result of which, immediately following such event, the shareholders of the Company as a group, as they were immediately prior to such event, are expected to hold less than a majority of the outstanding capital stock of the surviving corporation;
- (iii) the proposed acquisition of all or substantially all of the issued and outstanding shares of the Company by one or more Persons or Entities;
- (iv) a proposed Change of Control of the Company;
- (v) the proposed sale or other disposition of all or substantially all of the assets of the Company; or
- (vi) a proposed material alteration of the capital structure of the Company which, in the opinion of the Committee, is of such a nature that it is not practical or feasible to make adjustments to this Plan or to the Options granted hereunder to permit the Plan and Options granted hereunder to stay in effect.

(rr) “Vest” or “Vesting” means that a portion of the Option granted to the Option Holder which is available to be exercised by the Option Holder at any time and from time to time.

1.2 Choice of Law

The Plan is established under, and the provisions of the Plan shall be subject to and interpreted and construed solely in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein without giving effect to the conflicts of laws principles thereof and without reference to the laws of any other jurisdiction. The Company and each Option Holder hereby attorn to the jurisdiction of the Courts of Ontario.

1.3 Headings

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

SECTION 2 GRANT OF OPTIONS

2.1 **Grant of Options**

The Committee shall, from time to time in its sole discretion, grant Options to such Persons or Entities and on such terms and conditions as are permitted under this Plan.

2.2 **Record of Option Grants**

The Committee shall be responsible to maintain a record of all Options granted under this Plan and such record shall contain, in respect of each Option:

- (a) the name and address of the Option Holder;
- (b) the category (Executive, Employee or Consultant) under which the Option was granted to him, her or it;
- (c) the designation of Options as Incentive Stock Options or Non-Statutory Options, as applicable;
- (d) the Grant Date and Expiry Date of the Option;
- (e) the number of Shares which may be acquired on the exercise of the Option and the Exercise Price of the Option;
- (f) the vesting and other additional terms, if any, attached to the Option; and
- (g) the particulars of each and every time the Option is exercised.

2.3 **Effect of Plan**

All Options (and accompanying Stock Appreciation Rights) granted pursuant to the Plan shall be subject to the terms and conditions of the Plan notwithstanding the fact that the Option Certificates issued in respect thereof do not expressly contain such terms and conditions but instead incorporate them by reference to the Plan. The Option Certificates will be issued for convenience only and in the case of a dispute with regard to any matter in respect thereof, the provisions of the Plan and the records of the Company shall prevail over the terms and conditions in the Option Certificate, save and except as noted below. Each Option (and accompanying Stock Appreciation Right) will also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Certificate for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

SECTION 3 PURPOSE AND PARTICIPATION

3.1 Purpose of Plan

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Executives, Employees and Consultants to contribute toward the long-term goals of the Company, and to encourage such individuals to acquire Shares of the Company as long-term investments.

3.2 Participation in Plan

The Committee shall, from time to time and in its sole discretion, determine those Executives, Employees and Consultants to whom Options are to be granted.

3.3 Limits on Option Grants

The following limitations shall apply to the Plan and all Options thereunder:

- (a) the maximum number of Options which may be granted to any one Option Holder under the Plan within any 12-month period shall be 5% of the Outstanding Issue (unless the Company has obtained disinterested shareholder approval if required by Regulatory Rules);
- (b) if required by Regulatory Rules, disinterested shareholder approval is required to the grant to Insiders, within a 12-month period, of a number of Options which, when added to the number of outstanding incentive stock options granted to Insiders within the previous 12 months, exceed 10% of the Outstanding Issue;
- (c) with respect to section 5.1, the Expiry Date of an Option shall be no later than the tenth anniversary of the Grant Date of such Option;
- (d) the maximum number of Options which may be granted to any one Consultant within any 12-month period must not exceed 2% of the Outstanding Issue;
- (e) the maximum number of Options which may be granted within any 12 month period to Employees or Consultants engaged in investor relations activities must not exceed 2% of the Outstanding Issue and such options must vest in stages over 12 months with no more than 25% of the Options vesting in any three month period, and such limitation will not be an amendment to this Plan requiring the Option Holders consent under section 9.2 of this Plan; and
- (f) the maximum aggregate number of Shares which may be issued upon the exercise of Incentive Stock Options granted pursuant to this Plan shall not exceed 19,221,557 Shares (which is 10% percent of the Outstanding Issue on the effective date of this Plan).

3.4 Notification of Grant

Following the granting of an Option, the Administrator shall, within a reasonable period of time, notify the Option Holder in writing of the grant and shall enclose with such notice the Option Certificate representing the Option so granted. In no case will the Company be required to deliver an Option Certificate to an Option Holder until such time as the Company has obtained all necessary Regulatory Approvals for the grant of the Option.

3.5 Copy of Plan

Each Option Holder, concurrently with the notice of the grant of the Option, shall be provided with a copy of the Plan. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

3.6 Limitation on Service

The Plan does not give any Option Holder that is an Executive the right to serve or continue to serve as an Executive of the Company or any Subsidiary, nor does it give any Option Holder that is an Employee or Consultant the right to be or to continue to be employed or engaged by the Company or any Subsidiary.

3.7 No Obligation to Exercise

Option Holders shall be under no obligation to exercise Options.

3.8 Agreement

The Company and every Option Holder granted an Option hereunder shall be bound by and subject to the terms and conditions of this Plan. By accepting an Option granted hereunder, the Option Holder has expressly agreed with the Company to be bound by the terms and conditions of this Plan. In the event that the Option Holder receives his, her or its Options pursuant to an oral or written agreement with the Company or a Subsidiary, whether such agreement is an employment agreement, consulting agreement or any other kind of agreement of any kind whatsoever, the Option Holder acknowledges that in the event of any inconsistency between the terms relating to the grant of such Options in that agreement and the terms attaching to the Options as provided for in this Plan, the terms provided for in this Plan shall prevail and the other agreement shall be deemed to have been amended accordingly.

3.9 Notice

Any notice, delivery or other correspondence of any kind whatsoever to be provided by the Company to an Option Holder will be deemed to have been provided if provided to the last home address, fax number or email address of the Option Holder in the records of the Company and the Company shall be under no obligation to confirm receipt or delivery.

3.10 Representation

As a condition precedent to the issuance of an Option, the Company must be able to represent to the Exchange as of the Grant Date that the Option Holder is a *bona fide* Executive, Employee or Consultant of the Company or any Subsidiary.

SECTION 4 NUMBER OF SHARES UNDER PLAN**4.1 Board to Approve Issuance of Shares**

The Committee shall approve by resolution the issuance of all Shares to be issued to Option Holders upon the exercise of Options, such authorization to be deemed effective as of the Grant Date of such Options regardless of when it is actually done. The Committee shall be entitled to approve the issuance of Shares in advance of the Grant Date, retroactively after the Grant Date, or by a general approval of this Plan.

4.2 Number of Shares

Subject to adjustment as provided for herein, the number of Shares which will be available for purchase pursuant to Options granted pursuant to this Plan (or issuance upon the exercise of Stock Appreciation Rights granted under this Plan), plus any other outstanding incentive stock options of the Company granted pursuant to a previous stock option plan or agreement, will not exceed 10% of the Outstanding Issue. Subject to adjustment as provided for in Article 11 of this Plan, the maximum aggregate number of Shares which may be issued upon the exercise of Incentive Stock Options granted pursuant to this Plan shall not exceed 19,221,557 Shares (which is 10% percent of the Outstanding Issue on the effective date of this Plan).

If Shares issued upon exercise of any Option are surrendered or tendered to the Company in payment of the Exercise Price, such surrendered or tendered Shares shall not become available again under the Plan and the aggregate number of Shares underlying any such exercised Option or Stock Appreciation Right shall not become available again under the Plan.

However, if any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of such expired or terminated Option shall again be available for the purposes of granting Options pursuant to this Plan.

4.3 Fractional Shares

No fractional shares shall be issued upon the exercise of any Option and, if as a result of any adjustment, an Option Holder would become entitled to a fractional share, such Option Holder shall have the right to purchase only the next lowest whole number of Shares and no payment or other adjustment will be made for the fractional interest.

SECTION 5 TERMS AND CONDITIONS OF OPTIONS**5.1 Exercise Period of Option**

Subject to sections 5.4, 6.2, 6.3, 6.4 and 11.4, the Grant Date and the Expiry Date of an Option shall be the dates fixed by the Committee at the time the Option is granted and shall be set out in the Option Certificate

issued in respect of such Option. No Incentive Stock Option may be granted after ten (10) years from the date of this Plan. The term and expiry date of any Incentive Stock Option granted to a Ten Percent Shareholder Participant shall not exceed five (5) years from Grant Date of such Incentive Stock Option.

5.2 Number of Shares Under Option

The number of Shares which may be purchased pursuant to an Option shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option.

5.3 Exercise Price of Option

The Exercise Price at which an Option Holder may purchase a Share upon the exercise of an Option shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. The Exercise Price shall not be less than the Market Value of the Shares as of the Grant Date. The Market Value of the Common Shares for a particular Grant Date shall be determined as follows:

- (a) for each organized trading facility on which the Common Shares are listed, Market Value will be the greater of the closing trading price of the Common Shares on (i) the day immediately preceding the Grant Date; and (ii) the Grant Date;
- (b) if the Common Shares are listed on more than one organized trading facility, the Market Value shall be the Market Value as determined in accordance with subparagraph (a) above for the primary organized trading facility on which the Common Shares are listed, as determined by the Committee, subject to any adjustments as may be required to secure all necessary Regulatory Approvals;
- (c) if the Common Shares are listed on one or more organized trading facilities but have not traded during the ten trading days immediately preceding the Grant Date, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee; and
- (d) if the Common Shares are not listed on any organized trading facility, then the Market Value will be, subject to any adjustments as may be required to secure all necessary Regulatory Approvals, such value as is determined by the Committee to be the fair value of the Common Shares, taking into consideration all factors that the Committee deems appropriate, including, without limitation, recent sale and offer prices of the Common Shares in private transactions negotiated at arms' length. Notwithstanding anything else contained herein, in no case will the Market Value be less than the minimum prescribed by each of the organized trading facilities that would apply to the Company on the Grant Date in question.

The Market Value of the Proportionate Voting Shares for a particular Grant Date shall be the Market Value of the Common Shares multiplied by ten (to reflect the fact that one Proportionate Voting Share is convertible into ten Common Shares).

Notwithstanding the foregoing, the Exercise Price of Shares subject to an Incentive Stock Option granted under the Plan to a Ten Percent Shareholder Participant shall be not less than 110% of the fair market value of the Common Shares or Proportionate Voting Shares, as applicable, on the Grant Date as determined in good faith by the Committee at the Grant Date.

5.4 Incentive Stock Options

Incentive Stock Options may only be granted to Employees who are resident in the United States. To the extent that Options designated as Incentive Stock Options become exercisable by a Holder for the first time during any calendar year for Shares having a fair market value greater than US\$100,000, the portion of such Options which exceeds such amount shall not be treated as Incentive Stock Options but instead shall be treated as Non-Statutory Stock Options. For the purposes of this Section 5.4, Options designated as Incentive Stock Options shall be taken into account in the order in which they were granted, and the fair market value of Shares shall be determined as of the Grant Date of the Option with respect to such Shares. If the Code is amended to provide for a different limitation than that set forth in this Section 5.4, such different limitation shall be deemed incorporated herein effective as of the date and with respect to such Options as may be required or permitted by such amendment to the Code. If an Option is treated as a Non-Statutory Option in part by reason of the limitation set forth in this Section 5.4, the Holder may designate which portion of such Option the Holder is exercising at any given time. In the absence of such designation, the Holder shall be deemed to have exercised the Incentive Stock Option portion of the Option first. The Company shall have no liability to a Holder, or any other party, if any Option (or any part thereof) intended to be an Incentive Stock Option is not an Incentive Stock Option.

5.5 Termination of Option

Subject to such other terms or conditions that may be attached to Options granted hereunder, an Option Holder may exercise an Option in whole or in part at any time and from time to time during the Exercise Period. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of the Expiry Time on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Committee at the time the Option is granted as set out in the Option Certificate and the date established, if applicable, in paragraphs (a) or (b) below or sections 6.2, 6.3, 6.4, or 11.4 of this Plan:

- (a) *Ceasing to Hold Office* - In the event that the Option Holder holds his or her Option as an Executive and such Option Holder ceases to hold such position other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise determined by the Committee and expressly provided for in the Option Certificate, the 30th day following the date the Option Holder ceases to hold such position unless the Option Holder ceases to hold such position as a result of:
 - (i) ceasing to meet the qualifications set forth in the corporate legislation applicable to the Company;
 - (ii) a special resolution having been passed by the shareholders of the Company removing the Option Holder as a director of the Company or any Subsidiary; or
 - (iii) an order made by any Regulatory Authority having jurisdiction to so order, in

which case the Expiry Date shall be the date the Option Holder ceases to hold such position; OR

- (b) *Ceasing to be Employed or Engaged* - In the event that the Option Holder holds his or her Option as an Employee or Consultant and such Option Holder ceases to hold such position

other than by reason of death or Disability, the Expiry Date of the Option shall be, unless otherwise determined by the Committee and expressly provided for in the Option Certificate, the 30th day following the date the Option Holder ceases to hold such position, unless the Option Holder ceases to hold such position as a result of:

- (i) termination for cause;
- (ii) resigning his or her position; or
- (iii) an order made by any Regulatory Authority having jurisdiction to so order,

in which case the Expiry Date shall be the date the Option Holder ceases to hold such position.

In the event that the Option Holder ceases to hold the position of Executive, Employee or Consultant for which the Option was originally granted, but comes to hold a different position as an Executive, Employee or Consultant prior to the expiry of the Option, the Committee may, in its sole discretion, choose to permit the Option to stay in place for that Option Holder with such Option then to be treated as being held by that Option Holder in his or her new position and such will not be considered to be an amendment to the Option in question requiring the consent of the Option Holder under section 9.2 of this Plan. Notwithstanding anything else contained herein, in no case will an Option be exercisable later than the Expiry Date of the Option.

5.6 Vesting of Option and Acceleration

The vesting schedule for an Option, if any, shall be determined by the Committee and shall be set out in the Option Certificate issued in respect of the Option. The Committee may elect, at any time, to accelerate the vesting schedule of one or more Options including, without limitation, on a Triggering Event, and such acceleration will not be considered an amendment to the Option in question requiring the consent of the Option Holder under section 9.2 of this Plan.

5.7 Stock Appreciation Rights

Subject to all applicable Regulatory Rules and all necessary Regulatory Approvals, the Committee may, in its discretion, grant Stock Appreciation Rights to any Option Holder granted an Option under this Plan.

Such number of Stock Appreciation Rights shall be no more in number than the number of the Shares then underlying the Option.

Each Stock Appreciation Right shall entitle the Option Holder to surrender to the Company, unexercised, the right to subscribe for Shares pursuant to the related Option.

These Stock Appreciation Rights shall also entitle the Option Holder to elect to exercise the Stock Appreciation Rights at any time during (and only during) the Exercise Period in which the Option Holder would be entitled to exercise the Option to purchase the Shares covered by the Option. Upon such an exercise of the Stock Appreciation Rights related to an Option, the Option Holder shall be entitled to receive from the Company a reduced, net number of Shares from the Company determined by

- (a) subtracting the Exercise Price for the Option from the current Fair Market Value of the Shares (determined as of the date the underlying Shares are issued),
- (b) multiplying the result by the number of Shares with respect to which the Option Holder wishes to exercise the Stock Appreciation Rights (which shall not be greater than the number of Shares the Option Holder would be entitled to purchase by exercising the Option on the same date); and
- (c) dividing the resulting dollar amount by the current Fair Market Value of the Shares.

Upon the exercise of a Stock Appreciation Right in respect of a Share covered by an Option such Option shall be cancelled and shall be of no further force or effect in respect of such Share. Stock Appreciation Rights shall be exercisable by an Option Holder or his or her legal representative only to the extent that the related Option is exercisable. Unexercised Stock Appreciation Rights shall terminate when the related Option is exercised or the Option terminates in accordance with this Plan and the applicable Option Certificate.

5.8 Additional Terms

Subject to all applicable Regulatory Rules and all necessary Regulatory Approvals, the Committee may attach additional terms and conditions to the grant of a particular Option, such terms and conditions to be set out in a schedule attached to the Option Certificate. The Option Certificates will be issued for convenience only, and in the case of a dispute with regard to any matter in respect thereof, the provisions of this Plan and the records of the Company shall prevail over the terms and conditions in the Option Certificate, save and except as noted below. Each Option will also be subject to, in addition to the provisions of the Plan, the terms and conditions contained in the schedules, if any, attached to the Option Certificate for such Option. Should the terms and conditions contained in such schedules be inconsistent with the provisions of the Plan, such terms and conditions will supersede the provisions of the Plan.

SECTION 6 TRANSFERABILITY OF OPTIONS

6.1 Non-transferable

An Incentive Stock Option shall not be assignable or transferable by any Holder and, subject to section 6.2 hereof, may be exercised during the life of the Holder only by the Holder. An Option other than an Incentive Stock Option are non-assignable and non-transferable, except as provided otherwise in this section 6.

6.2 Death of Option Holder

In the event of the Option Holder's death, any Options held by such Option Holder shall pass to the Personal Representative of the Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of one year following the date of death and the applicable Expiry Date.

6.3 Disability of Option Holder

If the employment or engagement of an Option Holder as an Employee or Consultant or the position of an Option Holder as a director or officer of the Company or a Subsidiary is terminated by the Company by reason of such Option Holder's Disability, any Options held by such Option Holder shall be exercisable by such Option Holder or by the Personal Representative on or before the date which is the earlier of one year

following the termination of employment, engagement or appointment as a director or officer and the applicable Expiry Date.

6.4 Disability and Death of Option Holder

If an Option Holder has ceased to be employed, engaged or appointed as a director or officer of the Company or a Subsidiary by reason of such Option Holder's Disability and such Option Holder dies within one year after the termination of such engagement, any Options held by such Option Holder that could have been exercised immediately prior to his or her death shall pass to the Personal Representative of such Option Holder and shall be exercisable by the Personal Representative on or before the date which is the earlier of one year following the death of such Option Holder and the applicable Expiry Date.

6.5 Vesting

Unless the Committee determines otherwise, Options held by or exercisable by a Personal Representative shall, during the period prior to their termination, continue to vest in accordance with any vesting schedule to which such Options are subject.

6.6 Deemed Non-Interruption of Engagement

Employment or engagement by the Company shall be deemed to continue intact during any military or sick leave or other *bona fide* leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the Option Holder's right to re-employment or re-engagement by the Company is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the Option Holder's re-employment or re-engagement is not so guaranteed, then his or her employment or engagement shall be deemed to have terminated on the ninety-first day of such leave.

SECTION 7 EXERCISE OF OPTION

7.1 Exercise of Option

An Option may be exercised only by the Option Holder or the Personal Representative of any Option Holder. An Option Holder or the Personal Representative of any Option Holder may exercise an Option in whole or in part at any time and from time to time during the Exercise Period up to the Expiry Time on the Expiry Date by delivering to the Administrator the required Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft or wire transfer payable to the Company or its legal counsel in an amount equal to the aggregate Exercise Price of the Shares then being purchased pursuant to the exercise of the Option. At the discretion of the Committee, an Option Holder may also pay all or a portion of the Exercise Price of the Shares through a broker-assisted cashless exercise program described in section 7.6 below. Notwithstanding anything else contained herein, Options may not be exercised during a Blackout Period unless the Committee determines otherwise.

If the Option Holder has been granted Stock Appreciation Rights with respect to his or her Option pursuant to section 5.7 above, the Option Holder may elect to exercise the Stock Appreciation Rights to receive a reduced, net number of Shares determined under the terms of section 5.7 from the Company in lieu of paying the Exercise Price otherwise due upon exercise of the Option.

7.2 Blackout Period

Notwithstanding the foregoing, except in the case of Incentive Stock Options, if an Option expires, terminates or is cancelled (other than an expiry, termination or cancellation pursuant to section 5.5(a)(i)(ii) or (iii) or section 5.5(b)(i)(ii) or (iii) above) within or immediately after a Blackout Period, the Holder may elect for the term of such Option to be extended to the date which is ten (10) business days after the last day of the Blackout Period.

7.3 Issue of Share Certificates

As soon as reasonably practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate for the Shares so purchased. If the number of Shares so purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall also provide a new Option Certificate for the balance of Shares available under the Option to the Option Holder concurrent with delivery of the Share Certificate.

7.4 No Rights as Shareholder

Until the date of the issuance of the certificate for the Shares purchased pursuant to the exercise of an Option, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to such Shares, notwithstanding the exercise of the Option, unless the Committee determines otherwise. In the event of any dispute over the date of the issuance of the certificates, the decision of the Committee shall be final, conclusive and binding.

7.5 Tax Withholding and Procedures

Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Option Holder who wishes to exercise an Option or related Stock Appreciation Rights must, in addition to following the procedures set out in 7.1 and elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts;
- (b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded; or
- (c) and must in all other respects follow any related procedures and conditions imposed by the Company.

7.6 Cashless Exercises

Subject to all applicable Regulatory Rules and all necessary Regulatory Approvals, the Committee may, in its discretion, implement such procedures and conditions as the Committee and Administrator determine to be appropriate to establish a broker-assisted cashless exercise program under which an Option Holder may elect to pay all or any portion of the aggregate Exercise Price for the Shares being purchased pursuant to the exercise of the Option, by:

- (a) providing the Administrator with irrevocable instructions to the Company to deliver the aggregate number of Common Shares to be issued to the Option Holder upon such exercise (and, if applicable, upon the conversion of the Option Holder's Proportionate Voting Shares into Common Shares) to a broker acceptable to the Company for the Option Holder's account,
- (b) delivering instructions to the broker to promptly sell a portion of the Common Shares sufficient to pay the designated portion of the Exercise Price for the Shares being purchased;
- (c) providing the broker with irrevocable instructions to immediately deliver a portion of the proceeds of the Shares equal to the designated portion of the Exercise Price for the Shares (plus any amounts required for any tax withholding obligations) to the Company on the Option Holder's behalf.

SECTION 8 ADMINISTRATION

8.1 Board or Committee

The Plan shall be administered by the Administrator with oversight by the Committee.

8.2 Powers of Committee

The Committee shall have the authority to do the following:

- (a) oversee the administration of the Plan in accordance with its terms;
- (b) appoint or replace the Administrator from time to time;
- (c) determine all questions arising in connection with the administration, interpretation and application of the Plan, including all questions relating to the Market Value and Fair Market Value;
- (d) correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;
- (e) prescribe, amend, and rescind rules and regulations relating to the administration of the Plan;
- (f) determine the duration and purposes of leaves of absence from employment or engagement by the Company which may be granted to Option Holders without constituting a termination of employment or engagement for purposes of the Plan;

- (g) do the following with respect to the granting of Options:
 - (i) determine the Executives, Employees or Consultants to whom Options shall be granted, based on the eligibility criteria set out in this Plan;
 - (ii) determine the terms of the Option to be granted to an Option Holder including, without limitation, the Grant Date, Expiry Date, Exercise Price and vesting schedule (which need not be identical with the terms of any other Option);
 - (iii) subject to any necessary Regulatory Approvals and section 9.2, amend the terms of any Options;
 - (iv) determine when Options shall be granted;
 - (v) determine the number of Shares subject to each Option;
 - (vi) to designate Options as Incentive Stock Options or Non-Statutory Options, as applicable; and
 - (vii) determine whether or not to grant Stock Appreciation Rights with respect to the Shares subject to each Option.
- (h) accelerate the vesting schedule of any Option previously granted; and
- (i) make all other determinations necessary or advisable, in its sole discretion, for the administration of the Plan.

8.3 Administration by Committee

All determinations made by the Committee in good faith shall be final, conclusive and binding upon all persons. The Committee shall have all powers necessary or appropriate to accomplish its duties under this Plan.

8.4 Interpretation

The interpretation by the Committee of any of the provisions of the Plan and any determination by it pursuant thereto shall be final, conclusive and binding and shall not be subject to dispute by any Option Holder. No member of the Committee or any person acting pursuant to authority delegated by it hereunder shall be personally liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Committee and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

SECTION 9 APPROVALS AND AMENDMENT

9.1 Shareholder Approval of Plan

If required by a Regulatory Authority or by the Committee, this Plan may be made subject to the approval of the shareholders of the Company as prescribed by the Regulatory Authority. If shareholder approval is required, any Options granted under this Plan prior to such time will not be exercisable or binding on the Company unless and until such shareholder approval is obtained.

9.2 Amendment of Option or Plan

Subject to any required Regulatory Approvals, the Committee may from time to time amend any existing Option or the Plan or the terms and conditions of any Option thereafter to be granted provided that where such amendment relates to an existing Option and it would:

- (a) materially decrease the rights or benefits accruing to an Option Holder; or
- (b) materially increase the obligations of an Option Holder;

then, unless otherwise excepted out by a provision of this Plan, the Committee must also obtain the written consent of the Option Holder in question to such amendment. If at the time the Exercise Price of an Option is reduced the Option Holder is an Insider of the Company, the Insider must not exercise the option at the reduced Exercise Price until the reduction in Exercise Price has been approved by the disinterested shareholders of the Company, if required by the Exchange.

SECTION 10 CONDITIONS PRECEDENT TO ISSUANCE OF OPTIONS AND SHARES

10.1 Compliance with Laws

An Option shall not be granted or exercised, and Shares shall not be issued pursuant to the exercise of any Option, unless the grant and exercise of such Option and the issuance and delivery of such Shares comply with all applicable Regulatory Rules, and such Options and Shares will be subject to all applicable trading restrictions in effect pursuant to such Regulatory Rules and the Company shall be entitled to legend the Option Certificates and the certificates representing such Shares accordingly.

10.2 Regulatory Approvals

In administering this Plan, the Committee will seek any Regulatory Approvals which may be required. The Committee will not permit any Options to be granted without first obtaining the necessary Regulatory Approvals unless such Options are granted conditional upon such Regulatory Approvals being obtained. The Committee will make all filings required with the Regulatory Authorities in respect of the Plan and each grant of Options hereunder. No Option granted will be exercisable or binding on the Company unless and until all necessary Regulatory Approvals have been obtained. The Committee shall be entitled to amend this Plan and the Options granted hereunder in order to secure any necessary Regulatory Approvals and such amendments will not require the consent of the Option Holders under section 9.2 of this Plan.

10.3 Inability to Obtain Regulatory Approvals

The Company's inability to obtain Regulatory Approval from any applicable Regulatory Authority, which Regulatory Approval is deemed by the Committee to be necessary to complete the grant of Options hereunder, the exercise of those Options or the lawful issuance and sale of any Shares pursuant to such Options, shall relieve the Company of any liability with respect to the failure to complete such transaction.

SECTION 11 ADJUSTMENTS AND TERMINATION

11.1 Termination of Plan

Subject to any necessary Regulatory Approvals, the Committee may terminate or suspend the Plan.

11.2 No Grant During Suspension of Plan

No Option may be granted during any suspension, or after termination, of the Plan. Suspension or termination of the Plan shall not, without the consent of the Option Holder, alter or impair any rights or obligations under any Option previously granted.

11.3 Alteration in Capital Structure

If there is a material alteration in the capital structure of the Company and the Shares are consolidated, subdivided, converted, exchanged, reclassified or in any way substituted for, the Committee shall make such adjustments to this Plan and to the Options then outstanding under this Plan as the Committee determines to be appropriate and equitable under the circumstances, so that the proportionate interest of each Option Holder shall, to the extent practicable, be maintained as before the occurrence of such event. Such adjustments may include, without limitation:

- (a) a change in the number or kind of shares of the Company covered by such Options; and
- (b) a change in the Exercise Price payable per Share provided, however, that the aggregate Exercise Price applicable to the unexercised portion of existing Options shall not be altered, it being intended that any adjustments made with respect to such Options shall apply only to the Exercise Price per Share and the number of Shares subject thereto.

For purposes of this section 11.3, and without limitation, neither:

- (c) the issuance of additional securities of the Company in exchange for adequate consideration (including services); nor
- (d) the conversion of outstanding securities of the Company into Shares shall be deemed to be material alterations of the capital structure of the Company.

Any adjustment made to any Options pursuant to this section 11.3 shall not be considered an amendment requiring the Option Holder's consent for the purposes of section 9.2 of this Plan.

11.4 Triggering Events

Subject to the Company complying with section 11.5 and any necessary Regulatory Approvals and notwithstanding any other provisions of this Plan or any Option Certificate, the Committee may, without the consent of the Option Holder or Holders in question:

- (a) cause all or a portion of any of the Options granted under the Plan to terminate upon the occurrence of a Triggering Event; or
- (b) cause all or a portion of any of the Options granted under the Plan to be exchanged for incentive stock options of another corporation upon the occurrence of a Triggering Event in such ratio and at such exercise price as the Committee deems appropriate, acting reasonably.

Such termination or exchange shall not be considered an amendment requiring the Option Holder's consent for the purpose of section 9.2 of the Plan.

11.5 Notice of Termination by Triggering Event

In the event that the Committee wishes to cause all or a portion of any of the Options granted under this Plan to terminate on the occurrence of a Triggering Event, it must give written notice to the Option Holders in question not less than 10 days prior to the consummation of a Triggering Event so as to permit the Option Holder the opportunity to exercise the vested portion of the Options prior to such termination. Upon the giving of such notice and subject to any necessary Regulatory Approvals, all Options or portions thereof granted under the Plan which the Company proposes to terminate shall become immediately exercisable notwithstanding any contingent vesting provision to which such Options may have otherwise been subject.

11.6 Determinations to be Made By Committee

Adjustments and determinations under this section 11 shall be made by the Committee, whose decisions as to what adjustments or determination shall be made, and the extent thereof, shall be final, binding, and conclusive.

SCHEDULE A

Without prior written approval of Canadian Securities Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of Canadian Securities Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [insert the date that is 4 months and a day after the distribution date].

CANSORTIUM INC.

STOCK OPTION PLAN - OPTION CERTIFICATE

This Option Certificate is issued pursuant to the provisions of the Stock Option Plan (the “**Plan**”) of Consortium Inc. (the “**Company**”) and evidences that •[Name of Option Holder] is the holder (the “**Option Holder**”) of an option (the “**Option**”) to purchase up to • Common Shares/Proportionate Voting Shares (the “**Shares**”) in the capital stock of the Company at a purchase price of CDN/USD\$• per Share (the “**Exercise Price**”) and an equal number of Stock Appreciation Rights (as defined in the Plan). This Option may be exercised at any time and from time to time from and including the following Grant Date through to and including up to 4:00 p.m. local time in Toronto, Ontario (the “**Expiry Time**”) on the following Expiry Date:

- (a) the Grant Date of this Option is •, 20•; and
- (b) subject to sections 5.4, 6.2, 6.3, 6.4 and 11.4 of the Plan, the Expiry Date of this Option is •, 20•.

To exercise this Option (and accompanying Stock Appreciation Rights), the Option Holder must deliver to the Administrator of the Plan, prior to the Expiry Time on the Expiry Date, an Exercise Notice, in the form provided in the Plan, which is incorporated by reference herein, together with the original of this Option Certificate and a certified cheque or bank draft payable to the Company or its legal counsel in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which this Option is being exercised.

This Option Certificate and the Option (and accompanying Stock Appreciation Rights) evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan. This Option Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail. This Option is also subject to the terms and conditions contained in the schedules, if any, attached hereto.

[Include legends prescribed by Regulatory Authorities, if required.]

If the Option Holder is a resident or citizen of the United States of America at the time of the exercise of the Option, the certificate(s) representing the Shares will be endorsed with the following or a similar legend:

“The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended, of the United States of America (the “**Act**”) or the securities laws of any state (“**State**”) of the United States of America and may not be sold, transferred, pledged, hypothecated or distributed, directly or indirectly, to a U.S. person (as defined in Regulation S adopted by the U.S. Securities and Exchange Commission under the Act) or within the United States unless such

securities are (i) registered under the Act and any applicable State securities act (a “State Act”), or (ii) exempt from registration under the Act and any applicable State Act and the Company has received an opinion of counsel to such effect reasonably satisfactory to it, or (iii) sold in accordance with Regulation S and the Company has received an opinion of counsel to such effect reasonably satisfactory to it.”

CANSORTIUM INC.

Authorized Signatory

The Option Holder acknowledges receipt of a copy of the Plan and represents to the Company that the Option Holder is familiar with the terms and conditions of the Plan, and hereby accepts this Option subject to all of the terms and conditions of the Plan. The Option Holder agrees to execute, deliver, file and otherwise assist the Company in filing any report, undertaking or document with respect to the awarding of the Option and exercise of the Option, as may be required by the Regulatory Authorities. The Option Holder further acknowledges that if the Plan has not been approved by the shareholders of the Company on the Grant Date, this Option is not exercisable until such approval has been obtained.

Signature of Option Holder:

Signature

Date signed:

Print Name

Address

OPTION CERTIFICATE – SCHEDULE

[Complete the following additional terms and any other special terms, if applicable, or remove the inapplicable terms or this schedule entirely.]

The additional terms and conditions attached to the Option represented by this Option Certificate are as follows:

1. The Options will not be exercisable unless and until they have vested and then only to the extent that they have vested. The Options will vest in accordance with the following:
 - (a) • Shares (•%) will vest and be exercisable on or after the Grant Date;
 - (b) • additional Shares (•%) will vest and be exercisable on or after • [date];
 - (c) • additional Shares (•%) will vest and be exercisable on or after • [date];
 - (d) • additional Shares (•%) will vest and be exercisable on or after • [date];

2. Upon the Option Holder ceasing to hold a position with the Company, other than as a result of the events set out in paragraphs 5.5(a) or 5.5(b) of the Plan, the Expiry Date of the Option shall be • **[Insert date desired that is longer or shorter than the standard 30 days as set out in the Plan]** following the date the Option Holder ceases to hold such position.

Type of Option
(U.S. Employees only):

_____ Incentive Stock Option
_____ Non-Statutory Stock Option

CANSORTIUM INC.**STOCK OPTION PLAN****NOTICE OF EXERCISE OF OPTION**

TO: Cansortium Inc. (the "Company")

Pursuant to the Company's Stock Option Plan (the "**Plan**"), the undersigned hereby gives an irrevocable notice of the exercise of the options (the "**Options**") or Stock Appreciation Rights evidenced by the Option Certificate (attached hereto) (the "**Option Certificate**") to (pick one of Cash Exercise of Options or Stock Appreciation Rights):

☐ **Cash Exercise of Options**

purchase shares in the capital of the Company that are issuable pursuant to the Options (the "**Option Shares**") and hereby (circle one):

- (a) subscribes for *all* of the Option Shares; or
 (b) subscribes for _____ number of Option Shares.

The Exercise Price per Option is _____ and the aggregate Exercise Price for all of the Options being exercised is _____ (the "**Aggregate Exercise Price**").

Payment: With this notice, the undersigned is delivering the Aggregate Exercise Price by *certified cheque* or *bank draft* payable to Cansortium Inc. or *wire transfer* to an account specified by the Company.

OR
☐ **Stock Appreciation Rights** (or commonly referred to as "cashless exercise")

exercise Stock Appreciation Rights ("**SARs**") in respect of the Options and hereby (circle one):

- (a) subscribes for *all* of the SARs Shares (defined below); or
 (b) subscribes for _____ SARs Shares (defined below);

and hereby surrenders the same number of unexercised Options under the Option Certificate.

The number of shares delivered by the Company pursuant to a SARs exercise (the "**SARs Shares**") will be calculated based on the Fair Market Value (as defined in the Plan) on the day the SARs Shares are issued (the "**FMV**") as follows (fractional rounded down to the nearest whole number):

(FMV – Exercise Price) * # of SARs exercised

_____ **FMV**

DELIVERY:

The undersigned requests that the Company registers and delivers the Option Shares/SARs Shares to the address below:

Registration Name and Address:

Mailing Address (if different):

Dated:

(Signature of the Option Holder)

 (Name of the Option Holder - in block letters)

M-1

SCHEDULE M
FLUENT RSU PLAN

See Attached.

CANSORTIUM INC.

RESTRICTED SHARE UNIT AWARD PLAN

May 17, 2021

TABLE OF CONTENTS

ARTICLE 1 PURPOSE OF THIS PLAN	1
ARTICLE 2 DEFINITIONS	2
ARTICLE 3 EFFECTIVE DATE OF PLAN	6
ARTICLE 4 ADMINISTRATION OF PLAN	7
ARTICLE 5 SHARES AVAILABLE FOR AWARDS	8
ARTICLE 6 GRANT OF AWARDS	8
ARTICLE 7 ELIGIBILITY	9
ARTICLE 8 RESTRICTED AWARD GRANTS	10
ARTICLE 9 GENERAL TERMS OF RESTRICTED AWARDS	10
ARTICLE 10 CHANGE IN STATUS	11
ARTICLE 11 NON-TRANSFERABILITY OF RESTRICTED AWARDS	11
ARTICLE 12 REPRESENTATIONS AND COVENANTS OF PARTICIPANTS	11
ARTICLE 13 WITHHOLDING TAX	12
ARTICLE 14 CONDITIONS	12
ARTICLE 15 SUSPENSION, AMENDMENT OR TERMINATION OF PLAN	13
ARTICLE 16 ADJUSTMENTS	14
ARTICLE 17 GENERAL	15
SCHEDULE "A"	1

ARTICLE 1

PURPOSE OF THIS PLAN

1.1 Overview.

The Plan provides for the payment of bonus compensation in the form of Shares or, at the option of the Company cash, to Participants for the purpose of advancing the interests of the Company and its Affiliates through the motivation, attraction and retention of Eligible Persons and to secure for the Company and the shareholders of the Company the benefits inherent in the ownership of Shares by Eligible Persons, it being generally recognized that restricted share unit plans aid in attracting, retaining and encouraging employees, directors and consultants due to the opportunity offered to them to acquire a proprietary interest in the Company. It is intended that, insofar as the Participants are Eligible Persons who are directors or employees of the Company, neither the Plan nor any Restricted Award granted hereunder will constitute a "salary deferral arrangement" as defined in subsection 248(1) of the *Income Tax Act* (Canada) by reason of the exemption in paragraph (k) thereof. All Restricted Awards granted hereunder shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages received or receivable by any Participant who is an employee or director in respect of his or her services to the Company or an Affiliate, as applicable.

1.2 Purpose of this Plan.

The purpose of this Plan is to promote the interests and long-term success of the Company by:

- (a) furnishing certain directors, officers, employees and consultants/contractors of the Company or its Affiliates with greater incentive to develop and promote the business and financial success of the Company;
- (b) aligning the interests of persons to whom Restricted Awards may be granted with those of the shareholders of the Company generally through a proprietary ownership interest in the Company; and
- (c) assisting the Company in attracting, retaining and motivating its directors, officers, employees and consultants/contractors.

The Company believes that these purposes may best be effected by granting Restricted Awards and affording such persons an opportunity to acquire a proprietary interest in the Company.

ARTICLE 2 DEFINITIONS

2.1 Definitions.

In this Plan, unless there is something in the subject matter or context inconsistent therewith, capitalized words and terms will have the following meanings:

- (a) “**Affiliate**” means an affiliate as defined in the Securities Act and includes issuers that are similarly related, whether or not any of the issuers are companies, partnerships, limited partnerships, trusts, income trusts or investment trusts or any other organized entity issuing securities;
- (b) “**Applicable Withholding Taxes**” means all taxes and other source deductions or other amounts which the Company or an Affiliate of the Company is or may be required by law to withhold in respect of the Plan or in respect of a Restricted Award, including in respect of the issuance, transfer, amendment or vesting of a Restricted Award or the issuance of Shares thereunder;
- (c) “**Associate**” means an associate as defined in the Securities Act;
- (d) “**Award Agreement**” means any written agreement, contract or other instrument or document evidencing any Restricted Award granted under this Plan. Each Award Agreement shall be subject to the applicable terms and conditions of this Plan and any other terms and conditions (not inconsistent with this Plan) determined by the Compensation Committee;
- (e) “**Award Payout**” means the applicable Share issuance or cash payment in respect of a vested Restricted Share Unit pursuant and subject to the terms and conditions of this Plan and the applicable Award;
- (f) “**Blackout Period**” means an interval of time during which the Company has determined (pursuant to the policies of the Company or any resolution of the Board) that one or more Participants may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company;
- (g) “**Board**” means the board of directors of the Company as constituted from time to time;
- (h) “**Change in Control**” means:
- (i) any merger or amalgamation in which voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities are transferred to a person

or persons different from the persons holding those securities immediately prior to such transaction;

- (ii) any acquisition, directly or indirectly, by a person or Related Group of Persons (other than a person that is a registered dealer as described in Section 2.1(x) and other than the Company or a person that directly or indirectly controls, is controlled by, or is under common control with, the Company) of beneficial ownership of voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities;
- (iii) any acquisition, directly or indirectly, by a person or Related Group of Persons of the right to appoint a majority of the directors of the Company or otherwise directly or indirectly control the management, affairs and business of the Company;
- (iv) any sale, transfer or other disposition of all or substantially all of the assets of the Company;
- (v) a complete liquidation or dissolution of the Company; or
- (vi) any transaction or series of transactions involving the Company or any of its Affiliates that the Board in its discretion deems to be a Change in Control;

provided however, that a Change in Control shall not be deemed to have occurred if such Change in Control results from:

- (i) the issuance, in connection with a bona fide financing or series of financings by the Company or any of its Affiliates, of voting securities of the Company or any of its Affiliates or any rights to acquire voting securities of the Company or any of its Affiliates which are convertible into voting securities; or
 - (ii) a transaction or series of transactions involving the Company or any of its Affiliates whereby the holders of the voting securities of the Company continue to hold voting securities in the capital of the surviving or successor entity in substantially the same proportion as such holders held voting securities in the Company immediately prior to the commencement of such transaction or series of transactions.
- (i) **“Company”** means Cansortium Inc.;
 - (j) **“Compensation Committee”** means the Compensation Committee of the Board or such other committee of the Board to which the Board has delegated responsibility

for administration of the Plan or, if the Board has not made such delegation, “Compensation Committee” shall mean the Board;

- (k) “**Effective Date**” has the meaning ascribed thereto by Section 3.1 of this Plan;
- (l) “**Eligible Contractor**” means any individual, other than a director, officer or employee, who: (i) is engaged to provide on a bona fide basis consulting, technical, management or other services to the Company or an Affiliate under a written contract between the Company or an Affiliate and the individual or a company of which the individual consultant is an employee; and (ii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate;
- (m) “**Eligible Person**” means director, officer, or employee of the Company or its Affiliates as well as an Eligible Contractor;
- (n) “**Employer**” in respect of a Participant means the entity which employs or receives services from, as applicable, such Participant, which may be the Company or an Affiliate;
- (o) “**Exchange**” means the Canadian Securities Exchange, or such stock exchanges or other organized markets on which the Shares are listed or posted for trading;
- (p) “**Fair Market Value**” means, as at a particular date, for the purpose of calculating the Award Payout,
 - (i) if the Shares are listed on the CSE, the greater of: (i) the weighted average of the trading price per Share on the CSE for the last five trading days ending on that date; and (ii) the closing price of the Shares on the day before that date,
 - (ii) if the Shares are not listed on the CSE, the value established by the Board based on the volume weighted average price per Share traded on any other public exchange on which the Shares are listed over the same period, or
 - (iii) if the Shares are not listed on any public exchange, the value per Share established by the Board based on its determination of the fair value of a Share;
- (q) “**Insider**” in relation to the Company means:
 - (i) a director or senior officer of the Company;
 - (ii) a director or senior officer of a company that is an Insider or subsidiary of the Company; or

- (iii) a person that beneficially owns or controls, directly or indirectly, Shares and/or Proportionate Voting Shares carrying more than 10% of the voting rights attached to the Outstanding Issue.
- (r) **“Merger and Acquisition Transaction”** means:
 - (i) any merger;
 - (ii) any acquisition;
 - (iii) any amalgamation;
 - (iv) any offer for Shares and/or Proportionate Voting Shares which if successful would entitle the offeror to acquire all of the voting securities of the Company; or
 - (v) any arrangement or other scheme of reorganization;

that results in a Change in Control;
- (s) **“Outstanding Issue”** at the time of any issuance of Shares or grant of a Restricted Award means the number of Shares that are outstanding (assuming the conversion of all outstanding Proportionate Voting Shares into Shares) immediately prior to the issue of the Shares or grant of a Restricted Award in question, on a non- diluted basis, or such other number as may be determined under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Exchange;
- (t) **“Participant”** means an Eligible Person designated to be granted an Award under this Plan;
- (u) **“Permitted Assign”** in respect of a Participant means:
 - (i) an executor or administrator for the estate of the Participant upon the death of the Participant, or
 - (ii) a committee or duly appointed attorney of the Participant, upon the Participant becoming incapable, by reason of physical or mental infirmity, of managing his or her affairs.
- (v) **“Plan”** means this plan, as the same may from time to time be supplemented or amended and in effect;
- (w) **“Proportionate Voting Shares”** means the proportionate voting shares in the capital of the Company;

- (x) **“Related Group of Persons”** in respect of a person means:
 - (i) the person together with any one or more of the person’s Associates or Affiliates; and
 - (ii) any two or more persons who have an agreement, commitment or understanding, whether formal or informal, with respect to:
 - (A) the acquisition of or the intention to acquire, directly or indirectly, beneficial ownership of, or control and direction over, voting securities of the Company; or
 - (B) the exercise of voting rights attached to the securities of the Company beneficially owned by such persons, or over which such persons have control and direction, on matters regarding the appointment of directors or control of the management, affairs and business of the Company;
 - (iii) despite the above Section 2.1(x)(ii)(A), a registered dealer acting solely in an agency capacity for a person or Related Group of Persons in connection with the acquisition of beneficial ownership of, or control and direction over, securities of the Company, and not executing principal transactions for its own account or performing services beyond customary dealer’s functions, shall not be deemed solely by reason of such agency relationship to be a related person for the purposes of the definition of Related Group of Persons; and
- (y) **“Restricted Award”** means restricted share unit award granted pursuant to Section 8.1, for which the form of Award Agreement is attached hereto as Schedule “A”;
- (z) **“Securities Act”** means the *Securities Act* (Ontario), as amended from time to time;
- (aa) **“Shares”** means the common shares in the capital of the Company; and
- (bb) **“Shareholder”** means a holder of Shares and/or Proportionate Voting Shares.

ARTICLE 3 EFFECTIVE DATE OF PLAN

- 3.1 The effective date of the Plan is May 17, 2021 (the **“Effective Date”**), or such other date as the Board may determine, subject to the approval of the Plan, if necessary, by disinterested Shareholders and the Exchange.

ARTICLE 4 ADMINISTRATION OF PLAN

- 4.1 The Board may at any time appoint a committee of the Board (the “**Compensation Committee**”) to, among other things, interpret, administer and implement this Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan (provided that if at any such time such a committee has not been appointed by the Board, this Plan will be administered by the Board, and in such event references herein to the Compensation Committee shall be construed to be a reference to the Board). The Board will take such steps that in its opinion are required to ensure that the Compensation Committee has the necessary authority to fulfil its functions under this Plan.
- 4.2 The Compensation Committee is authorized, subject to the provisions of the Plan, to establish such rules and regulations as it deems necessary for the proper administration of the Plan, and to make determinations and take such other action in connection with or in relation to the Plan as it deems necessary or advisable. Each determination or action made or taken pursuant to the Plan, in good faith, including interpretation of the Plan, shall be final and conclusive for all purposes and binding on all parties, absent manifest error.
- 4.3 No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the Plan and all members of the Committee shall, in addition to their rights as directors of the Company, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made in good faith.
- 4.4 The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of the Plan and of the rules and regulations established for administering the Plan.
- 4.5 The Company shall maintain a register in which shall be recorded:
- (a) the name and address of each Participant; and
 - (b) the number of Restricted Awards granted to each Participant.
- 4.6 The Compensation Committee shall from time to time determine the Eligible Persons who may participate in the Plan. The Compensation Committee shall from time to time determine the Eligible Persons to whom Restricted Awards shall be granted and the provisions and restrictions with respect to such grant, all such determinations to be made in accordance with the terms and conditions of the Plan, and the Compensation Committee may take into consideration the present and potential contributions of and the services rendered by the particular Participant to the success of the Company and its Affiliates and any other factors which the Compensation Committee deems appropriate and relevant.

- 4.7 The Company will be responsible for all costs relating to the administration of the Plan.
- 4.8 Unless otherwise determined by the Board, the Plan shall remain an unfunded obligation of the Company and the rights of Participants under the Plan shall be general unsecured obligations of the Company.
- 4.9 The Company is authorized to take such steps as may be necessary to ensure all Applicable Withholding Taxes are withheld, deducted and remitted as required by law.

ARTICLE 5

SHARES AVAILABLE FOR AWARDS

- 5.1 Subject to adjustment as provided in Article 16 of this Plan, the aggregate number of Shares that may be issuable pursuant to this Plan combined with all of the Company's other security based compensation arrangements, including the Company's stock option plan, shall not exceed 10% of the Outstanding Issue.
- 5.2 For purposes of Section 5.1 and subject to Section 5.3, the number of Shares covered by a Restricted Award or to which a Restricted Award relates shall be counted on the date of grant of such Restricted Award against the aggregate number of Shares available for granting Restricted Awards under this Plan.
- 5.3 If an outstanding Restricted Award for any reason expires or is terminated or cancelled without having been settled in full, the Shares shall again be available for issuance under this Plan.
- 5.4 The Board will reserve for issuance from time to time out of the authorized but unissued Shares sufficient Shares to provide for issuance of all Shares which are issuable under all Restricted Awards.
- 5.5 Fractional Restricted Awards are permitted under this Plan.

ARTICLE 6

GRANT OF AWARDS

- 6.1 Subject to the provisions of this Plan, the Compensation Committee may from time to time grant to any Eligible Person one or more Restricted Awards as the Compensation Committee deems appropriate.
- 6.2 The date on which a Restricted Award will be deemed to have been granted under this Plan will be the date on which the Compensation Committee authorizes the grant of such Restricted Award or such other future date as may be specified by the Compensation Committee at the time of such authorization (including, but not limited to, the date the Award Agreement is entered into pursuant to Section 6.4).

- 6.3 The number of Shares that may be issued under any Restricted Award will be determined by the Compensation Committee, provided that:
- (a) the number of Shares reserved for issuance to any one Participant pursuant to this Plan combined with all of the Company's other security based arrangements, including the Company's stock option plan, within any one year period shall not, in aggregate, exceed 5% of the Outstanding Issue; and
 - (b) the number of Shares:
 - (i) issuable, at any time, to Participants that are Insiders; and
 - (ii) issued to Participants that are Insiders within any one year period;

pursuant to this Plan, or when combined with all of the Company's other security based compensation arrangements that provide for the issuance from treasury or potential issuance from treasury of Shares shall not, in aggregate, exceed 10% of the Outstanding Issue.
- 6.4 Each Restricted Award will be evidenced by an Award Agreement which incorporates such terms and conditions (including all vesting conditions) as the Compensation Committee in its discretion deems appropriate and consistent with the provisions of this Plan (and the execution and delivery by the Company of an Award Agreement with a Participant shall be conclusive evidence that such Award Agreement incorporates terms and conditions determined by the Compensation Committee and is consistent with the provisions of this Plan). Each Award Agreement will be executed by the Participant to whom the Restricted Award is granted and on behalf of the Company by any member of the Compensation Committee or any officer of the Company or such other person as the Compensation Committee may designate for such purpose.
- 6.5 The Board or the Committee may, in its sole discretion, determine: (i) the time during which Restricted Awards shall vest and whether there shall be any other conditions or performance criteria to vesting; (ii) the method of vesting; or (iii) that no vesting restriction shall exist. In the absence of any determination by the Board or the Compensation Committee to the contrary, Restricted Awards will vest three years after the date of grant.

ARTICLE 7

ELIGIBILITY

- 7.1 Any Eligible Person shall be eligible to be designated a Participant. The Company and a Participant shall confirm that any Eligible Person that is an employee is a *bona fide* employee of the Company or its Affiliates. In determining whether an Eligible Person shall receive a Restricted Award and the terms of any Restricted Award, the Compensation Committee may take into account the nature of the services rendered by the Eligible Person, his or her present and potential contributions to the success of the Company, and such other factors as the Compensation Committee, in its discretion, shall deem relevant.

ARTICLE 8

RESTRICTED AWARD GRANTS

- 8.1 The Compensation Committee is hereby authorized to grant Restricted Awards to an Eligible Person subject to the terms of this Plan. Each vested, whole Restricted Award granted under this Plan shall be denominated or payable in Shares or, at the option of the Company in cash, and shall confer on the holder thereof the right to receive one Share from treasury (subject to adjustment in accordance with this Plan), upon the completion of certain conditions during such periods as the Compensation Committee shall establish (with such date on which all such conditions are satisfied and the Restricted Awards fully vested being referred to as the “**Participant’s Entitlement Date**”). Subject to the terms of this Plan, the conditions to be completed during any period, the length of any period, the amount of any Restricted Award granted, the number of treasury Shares receivable pursuant to any Restricted Award and any other terms and conditions of the Restricted Award shall be determined by the Compensation Committee at the time of grant. A Restricted Award will be subject to an Award Agreement containing such terms and conditions, not inconsistent with the provisions of this Plan, as the Compensation Committee shall determine.
- 8.2 In the event that the Employer elects to satisfy its payment obligation in cash, on the Participant's Entitlement Date, the Restricted Award shall be redeemed and paid by the Affiliate that is the Employer of the Participant to the Participant subject to Article 13. The Fair Market Value of the Award Payout shall, after deduction of any applicable taxes and other source deductions required to be withheld by the applicable Affiliate, be paid in cash.
- 8.3 Except as otherwise determined by the Compensation Committee or as set forth in the applicable Award Agreement, upon the termination of a Participant’s employment (as determined under criteria established by the Compensation Committee), including by way of death, retirement, disability, termination without cause and termination for cause during the term of a Restricted Award, all unvested Restricted Awards held by the Participant shall be forfeited and cancelled; provided, however, that the Compensation Committee may, if it determines that a waiver would be in the best interest of the Company, waive in whole or in part any or all remaining restrictions or conditions with respect to any such Restricted Award.

ARTICLE 9

GENERAL TERMS OF RESTRICTED AWARDS

- 9.1 Restricted Awards may be granted for no cash consideration.
- 9.2 Restricted Awards may, in the discretion of the Compensation Committee, be granted either alone or in addition to or in tandem with any award granted under any plan of the Company or any Affiliate. Restricted Awards granted in addition to or in tandem with awards granted under any such other plan of the Company or any Affiliate may be granted either at the same time as or at a different time from the grant of such other awards.

- 9.3 All Shares delivered pursuant to a Restricted Award shall be subject to such stop transfer orders and other restrictions as the Compensation Committee may deem advisable, applicable Canadian provincial or foreign securities laws and regulatory requirements, applicable Exchange policies and rules, and applicable Canadian corporate laws, and the Compensation Committee may direct appropriate stop transfer orders and cause other legends to be placed on the certificates for such Shares to reflect such restrictions. If the Shares are traded on a securities exchange, the Company shall not be required to deliver any Shares covered by a Restricted Award unless and until such Shares have been listed and posted for trading on such securities exchange.

ARTICLE 10 CHANGE IN STATUS

- 10.1 A change in the status, office, position or duties of a Participant from the status, office, position or duties held by such Participant on the date on which the Restricted Award was granted to such Participant will not result in the termination of the Restricted Award granted to such Participant provided that such Participant remains an Eligible Person.

ARTICLE 11 NON-TRANSFERABILITY OF RESTRICTED AWARDS

- 11.1 Each Award Agreement will provide that the Restricted Award granted thereunder is not transferable or assignable to anyone other than a Permitted Assign.

ARTICLE 12 REPRESENTATIONS AND COVENANTS OF PARTICIPANTS

- 12.1 Each Award Agreement will contain representations and covenants of the Participant that:
- (a) the Participant is a director, officer or employee of the Company or its Affiliates or a person otherwise determined as an Eligible Person under this Plan by the Compensation Committee;
 - (b) the Participant has not been induced to enter into such Award Agreement by the expectation of employment or continued employment with the Company or its Affiliates;
 - (c) the Participant is aware that the grant of the Restricted Award and the issuance by the Company of Shares thereunder are exempt from the obligation under applicable securities laws to file a prospectus or other registration document qualifying the distribution of the Restricted Awards of the Shares to be distributed thereunder under any applicable securities laws.

ARTICLE 13 WITHHOLDING TAX

- 13.1 Each Participant shall be responsible for all taxes in respect of the Plan and in respect of the issuance, transfer, amendment or vesting of a Restricted Award or the issuance of Shares thereunder. The Company makes no guarantee to any person regarding the tax consequences of becoming a Participant in the Plan and none of the Company, its Affiliates or any of their respective employees or representatives shall have any liability to any Participant with respect thereto. The Company shall be entitled to take all reasonable and necessary steps and to obtain all reasonable or necessary indemnities, assurances, payments or undertakings to satisfy any obligation to pay or withhold an amount on account of Applicable Withholding Taxes. Without limiting the generality of the foregoing, the Company may for such purposes withhold or offset such amounts from any salary or other amounts otherwise due or to become due from the Company to the Participant or may require that a Participant pay such amounts to the Company.
- 13.2 The Participant will be solely responsible for paying any Applicable Withholding Taxes arising from the grant, vesting or issuance or payment of underlying Shares or cash of any Restricted Award and payment is to be made in a manner satisfactory to the Company. Notwithstanding the foregoing, the Company will have the right to withhold from any Restricted Award or any Shares issuable pursuant to a Restricted Award or from any cash amounts otherwise due or to become due from the Company to the Participant, an amount equal to any such taxes.

ARTICLE 14 CONDITIONS

- 14.1 Notwithstanding any provision in this Plan, other than Section 6.5, or an Award Agreement, the Company's obligation to issue Shares to a Participant pursuant to the terms of any Restricted Award will be subject to, if applicable:
- (a) completion of such registration or other qualification of such Shares or obtaining approval of such governmental authority as the Company will determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; and
 - (b) the receipt from the Participant of such representations, agreements and undertakings, including as to future dealings in such Shares, as the Company or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

ARTICLE 15

SUSPENSION, AMENDMENT OR TERMINATION OF PLAN

- 15.1 The Compensation Committee will have the right at any time and from time to time to suspend or terminate this Plan and, subject to Section 15.2, may:
- (a) with the prior approval of disinterested Shareholders of the Company by ordinary resolution (if required by the Exchange) make any amendment to any Restricted Award Agreement or this Plan, including any amendment that would:
 - (i) increase the number of Shares, or rolling maximum, reserved for issuance under this Plan as set out in Section 5.1;
 - (ii) extend the term of a Restricted Award beyond its original expiry time;
 - (iii) result in any modification to this Section 15.1; or
 - (b) without the prior approval of holders of Restricted Awards and without limiting the generality of the foregoing, the Compensation Committee may make any other amendments not listed in (a) above to any Award Agreement or this Plan, as follows:
 - (i) amendments of a clerical nature, including but not limited to the correction of grammatical or typographical errors or clarification of terms;
 - (ii) amendments to reflect any requirements of any regulatory authorities to which the Company is subject, including the Exchange;
 - (iii) amendments to any vesting provisions of a Restricted Award; and
 - (iv) amendments to the expiration date of a Restricted Award that does not extend the term of a Restricted Award past the original date of expiration for such Restricted Award.

Notwithstanding the foregoing, all procedures and necessary approvals required under the applicable rules and regulations of all regulatory authorities to which the Company is subject shall be complied with and obtained in connection with any such suspension, termination or amendment to this Plan or amendments to any Award Agreement.

- 15.2 In exercising its rights pursuant to Section 15.1, the Compensation Committee will not have the right to affect in a manner that is materially adverse to, or that materially impairs, the benefits and rights of any Participant under any Restricted Award previously granted under this Plan except: (a) with the consent of such Participant; (b) as permitted pursuant to Article 16; or (c) for the purpose of complying with the requirements of any regulatory authorities to which the Company is subject, including the Exchange.

- 15.3 The full powers of the Compensation Committee as provided for in this Plan will survive the termination of this Plan until all Restricted Awards have been vested in full (including the issuance of any underlying Shares or cash payment in lieu thereof) or have otherwise expired.

ARTICLE 16 ADJUSTMENTS

- 16.1 In the event of any Share distribution, Share split, combination or exchange of Shares, merger, consolidation, spin-off or other distribution of the Company's assets to the Shareholders, or any other change affecting the Shares, the Restricted Awards of each Participant and the Restricted Awards outstanding under the Plan shall be adjusted in such manner, if any, as the Compensation Committee may in its discretion deem appropriate to reflect the event. However, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional Restricted Awards will be granted to such Participant to compensate for a downward fluctuation in the market price of the Shares, nor will any other form of benefit be conferred upon, or in respect of a Participant for such purpose.
- 16.2 In the event of a Merger and Acquisition Transaction or proposed Merger and Acquisition Transaction, the Compensation Committee shall determine in an appropriate and equitable manner:
- (a) any adjustment to the number and type of Shares (or other securities) that thereafter shall be made the subject of Restricted Awards; and
 - (b) the number and type of Shares (or other securities) subject to outstanding Restricted Awards; and
 - (c) determine the manner in which all unvested Restricted Awards granted under this Plan will be treated including, without limitation, requiring the acceleration of the time for the vesting of such Restricted Awards by the Participants, the time for the fulfilment of any conditions or restrictions on such vesting, and the time for the expiry of such Restricted Awards.

Subsections (a) through (c) of this Section 16.2 may be utilized independently of, successively with, or in combination with each other and Section 16.1, and nothing therein contained shall be construed as limiting or affecting the ability of the Compensation Committee to deal with Restricted Awards in any other manner. All determinations by the Compensation Committee under this Article 16 will be final, binding and conclusive for all purposes.

- 16.3 Notwithstanding anything else in this Plan, any unvested Restricted Awards issued to a Participant at the time of a Merger and Acquisition Transaction shall immediately vest if either
- (i) the Participant is either terminated without cause or resigns with good reason (as

such term has been defined under common law, including any reason that would be considered to amount to constructive dismissal by a court of competent jurisdiction) from their position with the Company or its Affiliates within the period ending 12 months from the date of the completion of the Merger and Acquisition Transaction, or (ii) the Compensation Committee, acting reasonably, determines that an adjustment to the number and type of Shares (or other securities) resulting from a Merger and Acquisition Transaction is impractical or impossible. In the event this Section 16.3 is applicable, the Compensation Committee shall, acting reasonably, determine the extent to which the Participant met the conditions for vesting of Restricted Awards.

- 16.4 The grant of any Restricted Awards under this Plan will in no way affect the Company's right to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, amalgamate, reorganize, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets or engage in any like transaction.

ARTICLE 17

GENERAL

- 17.1 Nothing herein or otherwise shall be construed so as to confer on any Participant any rights as a Shareholder of the Company with respect to any Shares reserved for the purpose of any Restricted Award.
- 17.2 Nothing in this Plan or any Award Agreement will confer upon any Participant any right to continue in the employ of or under contract with the Company or its Affiliates or affect in any way the right of the Company or any such Affiliate to terminate his or her employment at any time or terminate his or her consulting contract, nor will anything in this Plan or any Award Agreement be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Company or any such Affiliate to extend the employment of any Participant beyond the time that he or she would normally be retired pursuant to the provisions of any present or future retirement plan of the Company or its Affiliates or any present or future retirement policy of the Company or its Affiliates, or beyond the time at which he or she would otherwise be retired pursuant to the provisions of any contract of employment with the Company or its Affiliates. Neither any period of notice nor any payment in lieu thereof upon termination of employment shall be considered as extending the period of employment for the purposes of this Plan.
- 17.3 Nothing contained in this Plan will restrict or limit or be deemed to restrict or limit the right or power of the Board in connection with any allotment and issuance of Shares which are not allotted and issued under this Plan including, without limitation, with respect to other compensation arrangements.
- 17.4 The Plan and any Award Agreement granted hereunder will be governed, construed and administered in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

- 17.5 References herein to any gender include all genders and to the plural includes the singular and vice versa. The division of this Plan into Sections and Articles and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Plan.
- 17.6 This Plan and any Award Agreement may be executed and transmitted by facsimile or other means of electronic communication (including pdf, docusign or verified electronic authorization/signature), which signatures or authorizations shall be binding upon the parties as if they were original signatures.
- 17.7 This Plan and any Award Agreement may be executed and/or authorized in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

FORM OF AWARD AGREEMENT

CANSORTIUM INC.
(the “**Company**”)

RESTRICTED SHARE UNIT AWARD PLAN AWARD AGREEMENT

This Award Agreement (the “**Agreement**”) is entered into between the Company and the Participant named below pursuant to the Company’s Restricted Share Unit Award Plan (the “**Plan**”). All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Plan.

This Agreement confirms that:

1. on _____, 20____ (the “**Award Date**”);
2. _____ (the “**Participant**”);
3. was granted _____ Restricted Awards in respect of employment services to be rendered by the Participant to the Company or its Affiliates each of which entitles the Participant to receive one Share upon vesting, provided the following conditions are met:
 - (a) **[conditions of vesting to be included at time of grant.]**
4. the vesting of the Restricted Awards shall occur on the following schedule:

Vesting Date	Percentage Vested
[Timing of vesting to be included at time of grant.]	
5. the Company shall issue to the Participant all amounts receivable by the Participant all Shares receivable by the Participant pursuant to this Agreement from treasury;
6. by execution of this Agreement and acceptance of the Restricted Awards hereby granted, the Participant hereby represents and warrants to the Company that the Participant:
 - (a) is director, officer or employee of the Company or its Affiliates or a person otherwise determined as an Eligible Person under this Plan by the Compensation Committee;
 - (b) has not been induced to enter into such Agreement by the expectation of employment or continued employment with the Company or its Affiliates;

- (c) is aware that the grant of the Restricted Award and the issuance by the Company of Shares thereunder are exempt from the obligation under applicable securities laws to file a prospectus or other registration document qualifying the distribution of the Restricted Awards of the Shares to be distributed thereunder under any applicable securities laws;
- 7. without restricting the generality of Section 4.9 of the Plan, the Company is expressly authorized to withhold and remit all Applicable Withholding Taxes arising as a consequence of the issuance, transfer, amendment or vesting of a Restricted Award granted pursuant to this Agreement or the issuance of Shares thereunder, (the “**Applicable Withholding Taxes Amount**”), in any of the following ways or any combination thereof:
 - (a) by requiring the Participant, as a precondition to the Company’s obligation to issue Shares from treasury, to pay to the Company in cash the Applicable Withholding Taxes Amount, to be remitted by the Company to the appropriate government authorities for the Participant’s account;
 - (b) by offset against any salary or other amounts otherwise due or to become due from the Company to the Participant and remitting such amounts to the appropriate government authorities for the Participant’s account; and
 - (c) by selling, as the Participant’s agent, a sufficient number of the Shares issued to the Participant in payment and settlement of the Restricted Awards to raise, net of commissions and other related expenses, cash in an amount not less than the Applicable Withholding Taxes Amount and remitting the Applicable Withholding Taxes Amount to the appropriate government authorities for the Participant’s account, and the Participant hereby irrevocably appoints the Company as the Participant’s agent to effect such sale or sales and receive the proceeds therefrom;
- 8. upon the termination of a Participant’s employment, including by way of death, retirement, disability, termination without cause and termination for cause during the term of a Restricted Award, all unvested Restricted Awards held by the Participant shall be forfeited and cancelled;

otherwise all on the terms and subject to the conditions and restrictions set out in the Plan.

By signing this Agreement, the Participant acknowledges that the Participant has been provided with a copy of the Plan and has read and understands the Plan (or has sought legal and/or financial advice to inform themselves as to the operation of the Plan and the results of Participant's participation in the Plan) and agrees to the terms and conditions of the Plan and this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the
 _____ day of _____, 20__.

CANSORTIUM INC.

By: Authorized Signatory

SIGNED, SEALED AND DELIVERED)
in the presence of:)

 Witness Name (Print):)

 Witness Signature)

Participant Name (Print): _____

Participant Signature _____

Participant Address _____

Participant Email _____