

RED WHITE & BLOOM BRANDS EXPANDS INTO EUROPE WITH STRATEGIC CANNABIS TRANSACTION

Transaction Establishes RWB in Germany and the United Kingdom, Two of Europe's Most Important Medical Cannabis Markets
Businesses Comprising the European Platform Dispensed or Distributed More Than Twelve Tonnes of Medical Cannabis in the Twelve Months Ended July 2026¹

TORONTO, ON – September 11, 2026 – GlobeNewswire – Red White & Bloom Brands Inc. (CSE: RWB) (“RWB” or the “Company”) is pleased to announce that it has closed a strategic transaction with HEAL Botanicals Pharma Inc. (the “**Transaction**”), pursuant to which RWB now holds a controlling interest in HEAL Europe Holdings Corp. (“**HEH**”), a newly incorporated entity established by HEAL Botanicals Pharma Inc. for purposes of the Transaction. HEH provides RWB with an integrated European medical cannabis platform comprising operations and investments in Germany, the United Kingdom and other European markets (the “**European Platform**”).

The Transaction represents a significant milestone in RWB's international growth strategy and provides the Company with exposure to established businesses spanning across pharmacy operations, pharmaceutical distribution, medical cannabis brands, patient access, fulfillment and logistics. The European Platform includes the Grünhorn group of companies (“**Grünhorn**”), which fulfilled approximately 290,000 medical cannabis prescriptions in the twelve months ended July 2026. Collectively, the businesses comprising the European Platform dispensed or distributed over 12 tonnes of medical cannabis in the same period².

The Transaction gives RWB a strategic foothold in two of Europe's largest economies and key medical cannabis markets, with established operations, infrastructure, brands, patient demand and experienced teams already in place.

Significant European Market Opportunity

Germany has emerged as Europe's largest regulated medical cannabis market, with demand accelerating following regulatory reforms introduced in 2024. Medical cannabis imports increased from approximately 73 tonnes in 2024 to approximately 205 tonnes in 2025³, representing a year-over-year increase of approximately 176%. Further, industry data indicates that Germany's pharmacy-based medical cannabis market surpassed €1 billion in annual sales in 2025⁴.

The United Kingdom represents another significant long-term opportunity, supported by a large addressable market, importing over 30,000 kilograms of dried cannabis flower in 2025⁵, an established private medical cannabis sector and considerable potential for continued patient adoption as awareness and access expand.

Together, entering into Germany and the United Kingdom provide RWB with a strategic foothold across two of Europe's largest economies and key medical cannabis markets, creating opportunities to leverage established operations, brands, infrastructure and expertise as the Company builds its European Platform.

¹ Unaudited; presented on a 100% Basis; not adjusted for RWB's economic interest post-close

² Unaudited; presented on a 100% basis and not adjusted for RWB's economic interest post-close

³ https://www.bfarm.de/SharedDocs/Bilder/DE/Diagramme/Bundesopiumstelle/Einfuehren_med_Cannabisblueten.jpg

⁴ <https://cannamonitor.com/germany-imports-201-tonnes-of-medical-cannabis-in-2025/>

⁵ <https://businessofcannabis.com/uk-medical-cannabis-prescriptions-hit-1-7-million-in-2025-as-acmd-review-approaches>

Management Commentary

"Over the past several months, we have strengthened and repositioned RWB through the strategic divestiture of our Florida operations and expanded our Canadian platform through the recent acquisition of Ayurcann Inc.," said Colby De Zen, President of RWB. "With the foundation of the Company strengthened, we are now positioned to continue executing on our broader growth strategy. Closing this transaction marks an important milestone in that strategy and establishes a meaningful platform for RWB's expansion into Europe. Germany has rapidly emerged as Europe's largest medical cannabis market, while the United Kingdom represents another significant and growing opportunity. Importantly, we are entering these markets with established businesses, proven operating infrastructure and experienced teams already in place. We believe this gives RWB an exceptional foundation from which to scale, expand our presence and capitalize on the significant opportunities we see across the European market."

Grünhorn – Established German Medical Cannabis Platform

Through the Transaction, RWB acquired a controlling economic interest in Grünhorn, an established participant in Germany's rapidly expanding medical cannabis market.

Grünhorn's operating ecosystem encompasses online medical cannabis pharmacy operations, pharmaceutical distribution and wholesale capabilities, fulfillment and logistics infrastructure and digital patient access. These complementary capabilities provide RWB with an established platform serving patients and healthcare providers throughout the German medical cannabis market.

RWB believes Grünhorn's established market presence, infrastructure and operating capabilities provide a strong foundation from which to participate in the continued growth and development of the German market.

United Kingdom Platform

RWB's controlling interest in Leva HEAL Limited ("**Leva**") and Zerenia Clinics Limited ("**Zerenia**"), which operates a private medical cannabis clinic in the United Kingdom, provide the Company with exposure to the United Kingdom's developing private medical cannabis and healthcare market.

The United Kingdom platform complements Grünhorn's presence in Germany and provides RWB with an additional avenue for growth as patient access, physician awareness and acceptance of medical cannabis continue to develop.

Together, the German and UK businesses provide RWB with a multi-market European platform and opportunities to share expertise, infrastructure, brands and operating capabilities across jurisdictions.

Transaction Structure and Ownership

On closing, RWB acquired approximately a 62.63% controlling interest in HEH from Heal Botanicals Pharma Inc. for nominal consideration. Through HEH's ownership structure, RWB now holds an indirect 50.1% interest in Grünhorn Gruppe AG and its underlying operating businesses, reflecting RWB's 62.63% acquired equity interest in HEH and HEH's 80% equity interest in Grünhorn Gruppe AG.

RWB also acquired a direct 29.82% interest in both Zerenia and Leva with Heal Botanicals Pharma Inc. continuing to hold a 19.93% direct interest respectively. Combined with RWB's indirect interest held through HEH, which holds 50.25% of Zerenia and Leva, RWB holds an effective interest of approximately 61.3% in each of Leva and Zerenia.

The Transaction therefore provides RWB with controlling economic interests in the principal businesses comprising the European Platform.

Senior Secured Credit Facility

In order to support the European Platform and its continued growth, RWB has committed to provide HEH with a senior secured credit facility of up to a maximum principal amount of C\$25 million (the "**Facility**"), of which an aggregate of C\$18.7 million has been advanced to date.

The principal terms of the Facility include:

- a maximum committed principal amount of C\$25 million, of which C\$18.7 million has been advanced to date

(C\$15.7 million advanced as of June 30, 2026, with an additional C\$3 million advanced on August 4, 2026);

- interest at a fixed rate of 12% per annum;
- interest during the first six months following closing (“the **PIK Period**”) will be capitalized and added to the outstanding principal;
- a three-year term maturing September 10, 2029, with interest following the PIK Period payable from HEH’s cash flow in accordance with the terms set out in the definitive financing documents; and
- a senior secured position over the assets of HEH, supported by guarantees and/or security from the relevant operating subsidiaries, in each case under the applicable financing and security documents.

In addition, approximately C\$2.5 million of existing shareholder loans and intercompany balances will remain outstanding and be carried into HEH.

The combination of controlling equity ownership and senior secured financing provides RWB with participation in the long-term growth of the European Platform while preserving the protections and economics associated with its secured lending position.

About Red White & Bloom Brands Inc.

Red White & Bloom Brands Inc. is a publicly listed multi-jurisdictional cannabis company with operations and investments in regulated markets. The Company is focused on building and acquiring leading cannabis brands and operating assets while pursuing disciplined growth through strategic acquisitions, investments and partnerships. The Company is listed on the Canadian Securities Exchange under the symbol “RWB”.

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The Canadian Securities Exchange has neither approved nor disapproved the contents of this press release. Neither the Canadian Securities Exchange nor its Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.

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FORWARD LOOKING INFORMATION

Certain information contained in this news release may constitute “forward-looking information” or “forward-looking statements” within the meaning of applicable Canadian securities legislation. Forward-looking information is often identified by words such as “plans,” “expects,” “may,” “should,” “could,” “will,” “intends,” “anticipates,” “believes,” “estimates,” and “forecasts,” or variations or negative forms of such words and phrases, as well as terms such as “pro forma” and “scheduled,” and other similar expressions that refer to future events or outcomes.

Forward-looking information in this release include, without limitation, statements relating to the availability and funding of future advances under the Facility; the anticipated benefits of the Transaction; the growth and development of the German and United Kingdom medical cannabis markets; the future operations of HEH and its subsidiaries and investments; RWB’s expansion within the European medical cannabis market; potential collaboration among the businesses comprising the European Platform; RWB’s ability to fund further advances under the Facility; the recoverability of amounts advanced to HEH; and other statements that are not historical facts. Such forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those expressed or implied. Material risk factors include, without limitation: the risk that HEH is unable to repay amounts advanced under the Facility and that the Company is required to record an impairment or expected credit loss on its loan receivable; the Company’s own liquidity position and its ability to fund further advances, as described in the going concern disclosure in the Company’s most recent annual financial statements and management’s discussion and analysis; the risk that the guarantees and security granted in favour of the Company prove unenforceable in the relevant foreign jurisdictions; changes to German law and regulation governing telemedicine prescribing, mail-order dispensing and the importation of medical cannabis; changes to United Kingdom licensing and prescribing requirements; the fact that the majority of the HEH entities are unaudited and that historical operating metrics have not been independently verified; integration, foreign exchange, minority shareholder; shareholder loans, and governance risks; and the risk that the anticipated benefits of the Transaction are not realized.

In making the forward-looking information contained in this news release, the Company has applied a number of material factors and assumptions, including that all required consents, approvals and acceptances will be maintained; HEH and its businesses comprising the European Platform will operate substantially as anticipated; the European medical cannabis markets will continue to develop and expand; sufficient cash flow or financing will be available to satisfy obligations as they become due; the guarantees and security granted in favour of the Company will remain valid and enforceable; and there will be no material adverse change in the regulatory or business environment in the jurisdictions in which HEH and its subsidiaries carry on business.

The prescription and dispensing volumes disclosed in this news release are based on information provided by the businesses comprising the European Platform. These figures are unaudited and have not been independently verified. In presenting these figures, the Company has assumed that the underlying information is accurate and complete, that the figures are representative of ordinary-course operations and that the figures are presented on a 100% basis without adjustment for RWB’s proportionate economic interests in the applicable businesses.

Additional risks and uncertainties affecting the Company are described in the Company’s most recently filed management’s discussion and analysis and other continuous disclosure documents, available under the Company’s profile on SEDAR+ at www.sedarplus.ca. Readers are cautioned not to place undue reliance on forward-looking information. The forward-looking information contained in this news release is made as of the date of this news release, and the Company undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities laws.