



Red White & Bloom Reports Results for the Three Months Ended March 31, 2023

- Revenue Exceeds \$27 Million In 2023-Q1 -
- Platinum Vape (“PV”) Ships One Million Units in March 2023, its first million unit month –
- Adjusted EBITDA positive for the Quarter-

TORONTO, ONTARIO May 31, 2023 (GLOBE NEWSWIRE) - Red White & Bloom Brands Inc. (CSE: RWB and OTC: RWBYF) (“**RWB**” or the “**Company**”) is pleased to report it has filed its Condensed Interim Consolidated Unaudited Financial Statements (“the Financial Statements”), Management Discussion and Analysis (“MD&A”), and associated certifications for its first quarter ended March 31, 2023 (collectively, “the 2023-Q1 Filings”). The 2023-Q1 Filings may be accessed under the Company’s SEDAR profile at www.sedar.com.

2023-Q1 Financial Highlights

- Revenues were \$27.0 million for 2023-Q1.
- Gross profit, before fair value adjustments, was \$9.4 million for 2023-Q1.
- Operating expenses were \$10.9 million for 2023-Q1.
- Adjusted EBITDA was positive 100k for 2023-Q1.

Highlights for the First Quarter of Fiscal 2023

- In January 2023, PV celebrated a successful launch of its newly introduced infused pre-roll SKU, further solidifying market share in its incumbent cannabis markets.
- On February 7, 2023, the Company successfully activated a medical use retail store in the city of Clearwater, Florida; its fourth medical use retail store in the State of Florida. As of the date of this report, the Company is finalizing timelines to activate its five remaining medical retail facilities in the State of Florida.
- On February 10, 2023, the Company announced the launch of PV product offerings in the adult-use Arizona market. Offerings include more than twelve (12) flavor profiles of its Premium 510 Vapes and Disposable Vape products, stocked in dispensaries across the state. Additional high-quality PV-branded offerings are expected to be introduced over the course of the 2023 fiscal year.
- In March 2023, PV had a record month after selling and shipping in excess of 1 million units of 510 vape cartridges, marking the first million unit month since its inception.
- On March 10, 2023, the Company entered into a debenture amending agreement with a lender to document US dollar advances made by said lender to the Company (the “USD Grid Note”). The USD Grid Note agreement initially provides for an amendment to an existing USD\$5,850,000 Note for a change in principal with all other terms and conditions remaining the same.
- On March 16, 2023, the Company appointed Edoardo Mattei as its new Chief Financial Officer.
- On March 27, 2023, the Company entered into a secured debenture agreement with a lender to document Canadian dollar advances made by said lender to the Company (the “CAD Grid Note”), maturing on September 12, 2024; secured by a first priority security interest in, and pledge of the equity ownership interest of the Company’s subsidiary; RWB Michigan, LLC. The CAD Grid Note will bear interest at an aggregate rate of 12% per annum, with interest payments on the last day of each month.
- Throughout 2023-Q1, Florida’s Office of Medical Marijuana Use (“OMMU”) issued approvals for the rebranding of the Company’s seed-to-sale medical use operations and cannabis product offerings in Florida as “House of Platinum”; an

important milestone for the Company as it continues with the expansion of both its manufacturing and medical retail operations projected to be completed by the end of fiscal 2023.

Consolidated Quarterly Financial Highlights (2023-Q1)

	2023-Q1	2022-Q1	Variance
	\$	\$	\$
Revenue	27,046,088	28,046,801	(1,000,713)
Cost of goods sold, before fair value adjustments	17,636,414	16,705,335	931,079
Gross profit before fair value adjustments	9,409,674	11,341,466	(1,931,792)
Unrealized changes in fair value of biological assets	(450,795)	(2,450,005)	1,999,210
Realized fair value amounts included in inventory sold	(606,484)	276,927	(883,411)
Gross Profit	8,352,395	9,168,388	(815,993)
Gross profit Percentage (%)	31%	33%	(2%)
Total operating expenses	10,866,028	11,355,583	(489,555)
Loss from operations before other expenses or income	(2,513,633)	(2,187,195)	(326,438)
Total other expenses	6,569,385	6,601,170	(31,785)
Loss before income taxes	(9,083,018)	(8,788,365)	(294,653)
Current income tax expense	(1,975,397)	(2,071,170)	95,773
Deferred income tax recovery	1,696,281	-	1,696,281
Net loss from continuing operations	(9,362,134)	(10,859,535)	1,497,401
Loss from discontinued operations	(34,165)	(897,653)	863,488
Loss for the quarter	(9,396,299)	(11,757,188)	2,360,889
Adjusted EBITDA	95,391	1,249,816	(1,154,425)

Adjusted EBITDA

	2023-Q1	2022-Q1	VARIANCE
		\$	\$
Net Income (Loss) for the period	(9,396,299)	(11,757,188)	2,360,889
Depreciation and amortization	666,340	1,481,045	(814,705)
Bad debt expense	555,136	407,540	147,596
Accreted interest, leases	681,565	629,751	51,814
Finance expense, net	6,919,421	7,373,387	(453,966)
(Gain) loss on evaluation of financial instruments	(1,007,693)	-	(1,007,693)
Foreign exchange	24,317	(1,401,967)	1,426,284
Current income tax expense	1,975,397	2,071,170	(95,773)
Deferred income tax recovery	(1,696,281)	-	(1,696,281)
Fair value changes in biological assets	450,795	2,450,005	(1,999,210)
Realized fair value changes in inventory sold	606,484	(276,927)	883,411
Share based compensation	316,209	273,000	43,209
Adjusted EBITDA	95,391	1,249,816	(1,154,425)

(i) Refer to Non-IFRS Measure

The Company will hold its Annual General Meeting (“AGM”) on Friday, June 16, 2023 via conference call. Further communication will follow for the benefit of shareholders including details on how to access the AGM. The Company’s Notice of its Annual General Meeting and Information Circular may be accessed under the Company’s SEDAR profile at www.sedar.com.

We encourage all shareholders to attend the AGM as your participation and input are highly valued.

About Red White & Bloom Brands Inc.

Red White & Bloom is a multi-state cannabis operator and house of premium brands in the U.S. legal cannabis sector. RWB is predominantly focusing its investments on the major U.S. markets, including Arizona, California, Florida, Massachusetts, Missouri, and Michigan.

For more information about Red White & Bloom Brands Inc., connect via email at:

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Visit us on the web: <https://www.redwhitebloom.com/>.

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FORWARD LOOKING INFORMATION

This press release contains forward-looking statements and information that are based on the beliefs of management and reflect the Company's current expectations. When used in this press release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. There is no assurance that these transactions will yield results in line with management expectations. Such statements and information reflect the current view of the Company with respect to risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements and information.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: risks associated with the implementation of the Company's business plan and matters relating thereto, risks associated with the cannabis industry, competition, regulatory change, the need for additional financing, reliance on key personnel, market size, and the volatility of the Company's common share price and volume. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made, and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.

There are several important factors that could cause the Company's actual results to differ materially from those indicated or implied by forward-looking statements and information. Such factors include, among others, risks related to the Company's proposed business, such as failure of the business strategy and government regulation; risks related to the Company's operations, such as additional financing requirements and access to capital, reliance on key and qualified personnel, insurance, competition, intellectual property, and reliable supply chains; risks related to the Company and its business generally; risks related to regulatory approvals. The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors. While the Company may elect to, it does not undertake to update this information at any particular time.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS PRESS RELEASE REPRESENTS THE EXPECTATIONS OF THE COMPANY AS OF THE DATE OF THIS PRESS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE THE COMPANY MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE LAWS.

NON-IFRS AND SUPPLEMENTARY FINANCIAL OR OPERATING MEASURES

The Company references non-IFRS and supplementary financial or operating measures, including, but not limited to, Adjusted EBITDA. These measures do not have a standardized meaning prescribed by IFRS and are most likely not comparable to similar measures presented by other public company issuers including those operating in the cannabis industry. Non-IFRS measures provide investors with additional insights into the Company's financial and operating performance which may not be garnered from traditional IFRS measures. The management of the Company, including its key decision makers, use non-IFRS measures in assessing the Company's financial and operating performance. The Company calculates Adjusted EBITDA as net income or loss excluding current and deferred income tax expense, finance expense (net), depreciation and amortization, fair value changes in biological assets, changes in inventory sold, share based compensation, gains or losses on revaluation of debts or accounts payable and accrued liabilities, gains or losses on extinguishment of debts or accounts payable and accrued liabilities, impairments of tangible or intangible assets, impairment of goodwill, accreted interest on leases and applicable short term and long term liabilities, gains or losses on asset disposals, foreign exchange, gain or loss on earnouts, and bad debt expense.