FOR IMMEDIATE RELEASE

High Tide Reports Third Consecutive Quarter of Record Revenue and Adjusted EBITDA of $118.1 Million and $6.6 Million, Respectively

The Company Achieved Significant Sequential Improvement in Cost Reduction in Line With Its Goal to Achieve Positive Free Cash Flow by the End of This Calendar Year

This news release constitutes a "designated news release" for the purposes of the Company's prospectus supplement dated December 3, 2021, to its short-form base shelf prospectus dated April 22, 2021.

- ***13th Straight Quarter of Positive Adjusted EBITDA, Representing a 174% Increase Year-Over-Year and 20% Sequentially, Driven by Significant Cost Reductions in General and Administrative Expenses***
- ***High Tide Reaches 9.5% of Canadian Cannabis Retail Market Share Outside of Quebec[1], Up From 9% in the Previous Quarter***
- ***Same-Store Sales Increased by 30% Year-Over-Year and 1% Sequentially. Calculated Daily Same-Store Sales Increased by 5%, as There Were Three Fewer Days in the Quarter, Representing the Seventh Consecutive Quarter of Same-Store Sales Growth***
- ***High Tide Remains the Highest Revenue Generating Cannabis Company Reporting in Canadian Dollars[2]***
- ***Canna Cabana Continues to be the Largest Non-Franchised Cannabis Retailer in Canada With 153 Locations and Surpasses 1,040,000 Cabana***

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[1]Based on Statistics Canada for the months of February 2023 March 2023 and Hifyre data for April 2023, not including the province of Quebec.

[2]Based on reporting by New Cannabis Ventures as of May 15, 2023. For the New Cannabis Ventures' senior listing, segmented cannabis-only sales must generate more than US$25 million per quarter (CAD$31 million) – for full details, see: https://www.newcannabisventures.com/cannabis-company-revenue-ranking/

Club Members, While High Tide's Global Customer Database Exceeds 4.5 Million

CALGARY, AB, June 14, 2023 /CNW/ – High Tide Inc. ("**High Tide**" or the **"Company**") (Nasdaq: HITI) (TSXV: HITI) (FSE: 2LYA), the high-impact, retail-forward enterprise built to deliver real-world value across every component of cannabis, released today its financial results for the second fiscal quarter of 2023 ended April 30, 2023, the highlights of which are included in this news release. The full set of consolidated financial statements for the three and six months ended April 30, 2023, and the accompanying management's discussion and analysis can be accessed by visiting the Company's website at www.hightideinc.com, its profile pages on SEDAR at www.sedar.com, and EDGAR at www.sec.gov.

Second Fiscal Quarter 2023 – Financial Highlights:

- Revenue increased to $118.1 million in the second fiscal quarter of 2023 compared to $81.0 million during the same period in 2022, representing an increase of 46% year-over-year and was consistent with the previous quarter. Note that the second fiscal quarter of 2023 had three fewer days and is a seasonally slower quarter when compared to the first fiscal quarter of 2023
- Gross profit increased to $31.6 million in the second fiscal quarter of 2023 compared to $22.7 million during the same period in 2022, representing an increase of 39% year-over-year and was down 2% sequentially as there were 3% fewer days
- Gross profit margin in the three months ended April 30, 2023, was 27%, consistent with the previous three quarters. The Company notes that gross margins earned in its bricks-and-mortar stores ticked higher sequentially
- Adjusted EBITDA increased to $6.6 million in the second fiscal quarter of 2023 compared to $2.4 million during the same period in 2022, representing increases of 174% year-over-year and 20% sequentially[3]
- Continued cost-saving measures implemented by the Company resulted in a decrease in general and administrative expenses as a percentage of revenue to 5% in the second fiscal quarter of 2023, an improvement from 7% in the second fiscal quarter of 2022 and 6% sequentially
- Salaries, wages and benefits represented 12% of revenue in the second fiscal quarter of 2023, consistent with the prior four quarters
- Cabanalytics data sales were $6.4 million in the second fiscal quarter of 2023 compared to $5.1 million for the same quarter last year. Sequentially, Cabanalytics data sales decreased by 3%
- For locations operational throughout the second fiscal quarter of 2023 and 2022, same-store sales significantly increased by 30% year-over-year. Sequentially, same-store sales increased by 1%. Calculated daily, same-store sales increased by 5%, as there were 3 fewer days in the quarter, representing the seventh consecutive quarter of same-store sales growth

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[3]Adjusted EBITDA is a non-IFRS measure. This measure, as well as other non-IFRS measures reported by the Company, are defined in the EBITDA and Free Cash Flow sections of this news release.

- The Company continued the rollout of ELITE, the first-of-its-kind cannabis paid loyalty program in Canada, with membership reaching over 13,500 as of June 14, 2023 representing a 42% increase since March 17, 2023
- Loss from operations improved to ($2.6) million in the second fiscal quarter of 2023, compared to ($7.6) million during the same period in 2022, and ($3.9) million sequentially, representing a reduction in losses of 65% and 33% respectively
- Net loss improved to ($1.6) million in the second fiscal quarter of 2023, compared to ($8.3) million during the same period in 2022 and ($3.9) million sequentially, representing reductions in net losses of 81% and 59%, respectively
- The Company generated fully diluted earnings per share of ($0.02) in the second fiscal quarter of 2023, compared to ($0.14) during the same period in 2022 and ($0.05) sequentially, representing improvements of 86% and 60%, respectively
- Free cash flow was ($2.0) million in the second fiscal quarter of 2023 compared to ($0.8) million in the first fiscal quarter of 2023. Importantly, this includes a meaningful reduction of $6.8 million dollars in accounts payable and accrued liabilities during the second fiscal quarter. Free cash flow also represented a 66% improvement versus ($5.8) million in the second fiscal quarter of 2022[4]
- Cash on hand as of April 30, 2023, totalled $22.5 million

"I'm delighted to report continued positive momentum in all aspects of our business, including the third consecutive quarter of record revenue generation and Adjusted EBITDA, despite this being a seasonally slower quarter and having three fewer days when compared to the previous quarter. Importantly, this growth was achieved organically, with gross margins remaining consistent. We accomplished this by continuing to focus on our business fundamentals through our superior retail concept, including expanding our higher margin white label offerings in Ontario, Manitoba and Saskatchewan, increasing customer adoption of our Fastendr kiosks across our Canadian bricks-and-mortar stores, driving meaningful cost savings in areas such as G&A expenses, and by temporarily scaling back on our aggressive growth strategy. We remain on track towards achieving our communicated goal of generating positive free cash flow by the end of calendar 2023. Our focus on operating efficiencies and the continued execution of our business plan has set us apart from many of our competitors, some of whom continue to experience significant operational and financial headwinds," said Raj Grover, President and Chief Executive Officer of High Tide.

"Our unique membership-based innovative discount club model has proven yet again to be superior strategically in both attracting and retaining new customers, having surpassed one million members in our Cabana Club loyalty program, which remains the largest cannabis bricks-and-mortar loyalty plan in Canada. ELITE, which is the next evolution of our discount club model, has experienced 42% growth since we last reported, strengthening our bottom line and

[4]Free Cash Flow is a non-IFRS measure. This measure as well as other non-IFRS measures reported by the Company, are defined in the EBITDA and Free Cash Flow sections of this news release. The Company has adjusted how it calculates Free Cash Flow in this quarter and has provided a table of the calculations for the second fiscal quarter of 2022, the first fiscal quarter of 2023, and the second fiscal quarter of 2023 in its filing. The Company believes this new calculation more accurately represents the cash generation activities of the Company from ongoing operations and Free Cash Flow available for growth. See note (2) below in the Free Cash Flow sections of this news release for additional definitions and explanations.

solidifying our loyalty loop with our club members. Our bricks-and-mortar margins have increased by approximately 1% every quarter for the last 5 quarters, and we feel there is further opportunity to increase margins in most markets where we operate. Our same-store sales growth shows no sign of slowing down, as we saw a 5% sequential increase when calculated daily. While we are very proud to have achieved nearly 10% of the Canadian retail market share outside of Quebec, we believe there remains a significant opportunity to continue moving towards our goal of capturing 15% of this market. I consider these results a huge accomplishment given the extremely competitive market conditions in Canada, and full credit must go to our team, which I firmly believe is the best in the cannabis space," added Mr. Grover.

Second Fiscal Quarter 2023 – Operational Highlights (February 1- April 30):

- The Company ranked 31st out of 500 on the Financial Times Americas' Fastest Growing Companies 2023 List and took the top spot in the retail category
- The Company announced that certain officers, directors, and consultants led by the Company's President and Chief Executive Officer, in the aggregate, acquired 258,921 common shares in the capital of High Tide on the open market between March 24 and March 29 at an average price of $1.59 per Common Share
- The Company presented virtually at the Sequire Cannabis & Psychedelics Conference
- Organic retail store expansion continued with 1 new Canna Cabana location opening in Edmonton, Alberta
- The Company continued the rollout of its higher-margin Cabana Cannabis Co products in Saskatchewan, Manitoba and Ontario, with 13 white label SKUs currently being sold in these markets
- The Company also announced that on April 20, 2023 '4/20', it generated over $2 million in total retail gross revenues across all retail platforms, representing a 64% increase from the previous Thursday. The Company's Canadian bricks-and-mortar stores reported a 46% increase, while sales across its e-commerce platforms (Grasscity.com, Smokecartel.com, Dailyhighclub.com, Dankstop.com, Nuleafnaturals.com, FABCBD.com, BlessedCBD.co.uk, and BlessedCBD.de) reported an increase of 216% over the previous Thursday
- The Company celebrated Earth Day 2023 by announcing it has contributed to the diversion of over 20,000 pounds of plastic waste from landfills through its partnership with [Re] Waste
- The Company maintained its status as the highest revenue-generating cannabis company in Canada[2]

Subsequent Events (May 1 - present):

- Memberships in the Cabana Club loyalty program have increased to over 1,040,000 from 550,000 an increase of 89% year-over-year and 7% sequentially
- ELITE memberships for the second fiscal quarter totalled over 13,500 members, representing an increase of 42% from 9,500 on March 17, 2023
- Organic retail store expansion continued with 1 new Canna Cabana location opening in Grande Prairie, Alberta

- The Company now sponsors 306 children internationally through World Vision as per its previously stated commitment to sponsor two children for every new store opened
- The Company announced that the founder of FABCBD exercised his put option for the remaining 20% of FABCBD not owned by High Tide. Accordingly, the Company acquired the remaining 20% ownership in FABCBD by issuing 386,035 common shares of High Tide valued at $747,827 on the basis of a deemed price per High Tide Share of $1.9372
- The Company welcomed the passage of Bill 10 by the Manitoba legislature resulting in the repeal of Manitoba's 6% Social Responsibility Fee on legal cannabis sales retroactive to January 1st, 2022

Selected financial information for the second quarter ended April 30, 2023:

(Expressed in thousands of Canadian Dollars)

	Three months ended April 30			**Six Months Ended April 30**		
	2023	**2022**	Change	**2023**	2022	Change
	$	$		**$**	$	
Revenue	**118,136**	81,031	46%	**236,212**	153,249	54%
Gross Profit	**31,569**	22,694	39%	**63,751**	45,676	40%
Gross Profit Margin	**27%**	28%	(1%)	**27%**	30%	(3%)
Total Operating Expenses	**(34,211)**	(30,272)	(13%)	**(70,314)**	(59,401)	(18%)
Adjusted EBITDA	**6,589**	2,401	174%	**12,089**	5,357	126%
Loss from Operations	**(2,642)**	(7,578)	65%	**(6,563)**	(13,725)	52%
Net loss	**(1,568)**	(8,277)	81%	**(5,429)**	(15,629)	65%
Loss per share (Basic)	**(0.02)**	(0.14)	86%	**(0.07)**	(0.28)	74%

The following is a reconciliation of Adjusted EBITDA to Net Loss:

	Three Months Ended April 30		**Six Months Ended April 30**	
	2023	**2022**	**2023**	**2022**
Net (loss) income	(1,568)	(8,277)	(5,430)	(15,629)
Income taxes (recovery)	(2,041)	(800)	(3,277)	(1,864)
Accretion and interest	1,759	1,541	3,572	3,092
Depreciation and amortization	7,699	7,627	15,685	14,738
EBITDA [(1)]	**5,849**	**91**	**10,550**	**337**
Foreign exchange loss (gain)	2	107	(13)	204
Transaction and acquisition costs	435	669	1,100	1,578
(Gain) loss revaluation of derivative liability	(1,288)	(728)	(2,549)	(1,253)
Loss (gain) on extinguishment of debenture	-	(133)	-	(115)

Impairment loss	-	-	-	89
Share-based compensation	1,532	2,353	2,968	4,255
Loss (gain) on revaluation of marketable securities	(19)	43	(27)	262
Gain on extinguishment of financial liability	78	-	60	-
Adjusted EBITDA (1)	**6,589**	**2,401**	**12,089**	**5,356**

Note:

(1) Earnings before interest, taxes, depreciation, and amortization ("EBITDA") and Adjusted EBITDA. These measures do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. Non-IFRS measures provide investors with a supplemental measure of the Company's operating performance and therefore highlight trends in Company's core business that may not otherwise be apparent when relying solely on IFRS measures. Management uses non-IFRS measures in measuring the financial performance of the Company.

Free Cash Flow (2)	**Q2 2023**	**Q1 2023**	**Q2 2022**
Net cash provided by (used in) operating activities	1,365	2,114	(2,236)
Sustaining Capex	(625)	(246)	(1,614)
Lease Liability Payments	(2,691)	(2,715)	(1,934)
Free Cash Flow	**(1,951)**	**(846)**	**(5,784)**

Note:

(2) The Company defines free cash flow as net cash provided by (used in) operating activities, minus sustaining capex, minus lease liability payments. Sustaining Capex is defined as leasehold improvements and maintenance spending required in the existing business. The most directly comparable financial measure is net cash provided by operating activities, as disclosed in the consolidated statement of cash flows. It should not be viewed as a measure of liquidity or a substitute for comparable metrics prepared in accordance with IFRS. The Company has revised how it calculates Free Cash Flow from the previously disclosed definition to further clarify for investors the subset of Capex that relates to growth versus sustaining Capex and to better reflect the cash flow generation from ongoing operations of the existing business. The Company believes this new calculation more accurately represents the cash generation activities of the Company from ongoing operations and Free Cash Flow available for growth. It should be noted that these performance measures are not defined under IFRS and may not be comparable to similar measures used by other entities.

Outlook

High Tide is the market leader in Canadian bricks-and-mortar cannabis retail, with 153 locations operating across the country and a loyalty base exceeding 1,040,000 Cabana Club members. Having generated rising positive EBITDA for 13 straight quarters and with national market share outside Quebec approaching 10%, the Company is now working towards its goal of generating positive free cash flow by the end of calendar 2023. The Company expects this to be achieved by increasing same-store sales, continued incremental upward momentum in gross margins in its Canadian bricks-and-mortar business, and strong cost controls. The Company plans to roll out more white-label SKUs of its Cabana Cannabis Co. brand through the course of the year, which should be additive to gross margins. We are pleased with the initial uptake of Cabana ELITE, our premium paid membership offering, with over 13,500 customers having signed up to date. We expect this number to climb steadily in the coming quarters, which should add a recurring high-margin revenue line and further enhance customer loyalty.

High Tide's commitment to operational excellence, including its real estate strategy and its differentiated discount club model, has made it a clear standout in the industry which has unfortunately seen firms of all sizes struggle. The Company expects that this shakeout will likely continue over the coming 12 months as we pass the pivotal five-year anniversary of cannabis legalization and many expiring leases are not renewed. The Company currently plans to open more stores in the second half of calendar 2023 than in the first half of the year. However, considering the macro environment, this growth will still be relatively muted compared to its historical pace. Regarding potential future M&A, there is currently a heightened level of opportunities coming to market. While we continue to feel that our share price does not currently reflect the Company's true value, we continue to evaluate every opportunity. That said, we plan to be very selective, as we believe we are very well positioned to engage only on opportunities which are truly the most strategic, attractive and accretive and thus create lasting, meaningful value for shareholders.

High Tide Earnings Event Webcast

The Company will host a webcast and conference call to discuss the Financial Statements at 11:30 AM (Eastern Time) Thursday, June 15, 2023.

Webcast Link for High Tide Earnings Event: https://events.q4inc.com/attendee/233560441

Participants may pre-register for the webcast by clicking on the link above prior to the beginning of the live webcast. Three hours after the live webcast, a webcast replay will be available at the same link above.

Participants who wish to ask questions during the event may do so through the call-in line, the access information for which is as follows:

Participant Details:

Joining by Telephone:	
Canada (Toll-Free):	1 833 950 0062
Canada (Local):	1 226 828 7575
United States (Local):	1 404 975 4839
United States (Toll-Free):	1 833 470 1428
Access Code:	475667

Participants will need to enter the participant access code before being met by a live operator

ATM PROGRAM QUARTERLY UPDATE

Pursuant to the Company's at-the-market equity offering program (the "**ATM Program**") that allows the Company to issue up to $40 million (or the equivalent in U.S. dollars) of common shares ("**Common Shares**") from treasury to the public from time to time, at the Company's discretion and subject to regulatory requirements, as required pursuant to National Instrument 44-102 – *Shelf Distributions* and the policies of the TSX Venture Exchange (the "**TSXV**"), the Company announces that, during its second fiscal quarter ended April 30, 2023, the Company has issued an aggregate of 22,000 Common Shares over the TSXV and Nasdaq Capital Market ("**Nasdaq**"), for aggregate gross proceeds to the Company of less than $0.1 million.

Pursuant to an equity distribution agreement dated December 3, 2021, entered into among the Company, ATB Capital Markets Inc. and ATB Capital Markets USA Inc. (the "**Agents**"), associated with the ATM Program (the "**Equity Distribution Agreement**"), a cash commission of less than $0.01 million on the aggregate gross proceeds raised was paid to the Agents in connection with their services under the Equity Distribution Agreement during the second fiscal quarter ended April 30, 2023.

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

Common Shares issued pursuant to the ATM Program will be issued pursuant to a prospectus supplement dated December 3, 2021 (the "**Canadian Prospectus Supplement**") to the Company's final base shelf prospectus dated April 22, 2021, filed with the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada (the "**Canadian Shelf Prospectus**") and pursuant to a prospectus supplement dated December 3, 2021 (the "**U.S. Prospectus Supplement**") to the Company's U.S. base prospectus dated September 17, 2021 (the "**U.S. Base Prospectus**") included in its registration statement on Form F-10 (the "**Registration Statement**") and filed with the U.S. Securities and Exchange Commission (the "**SEC**"). The Canadian Prospectus Supplement and Canadian Shelf Prospectus are available for download from SEDAR at www.sedar.com, and the U.S. Prospectus Supplement, the U.S. Base Prospectus and Registration Statement are accessible via EDGAR on the SEC's website at www.sec.gov.

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

ABOUT HIGH TIDE

High Tide, Inc. is the leading community-grown, retail-forward cannabis enterprise engineered to unleash the full value of the world's most powerful plant. High Tide (HITI) is uniquely-built around the cannabis consumer, with wholly-diversified and fully-integrated operations across all components of cannabis, including:

Bricks & Mortar Retail: Canna Cabana™ is the largest non-franchised cannabis retail chain in Canada, with 153 current locations spanning British Columbia, Alberta, Saskatchewan, Manitoba and Ontario and growing. In 2021, Canna Cabana became the first cannabis discount club retailer in Canada.

Retail Innovation: Fastendr™ is a unique and fully automated technology that integrates retail kiosks and smart lockers to facilitate a better buying experience through browsing, ordering and pickup.

E-commerce Platforms: High Tide operates a suite of leading accessory sites across the world, including Grasscity.com, Smokecartel.com, Dailyhighclub.com, and Dankstop.com.

CBD: High Tide continues to cultivate the possibilities of consumer CBD through Nuleafnaturals.com, FABCBD.com, blessedcbd.de and blessedcbd.co.uk.

Wholesale Distribution: High Tide keeps that cannabis category stocked with wholesale solutions via Valiant™.

Licensing: High Tide continues to push cannabis culture forward through fresh partnerships and license agreements under the Famous Brand™ name.

High Tide consistently moves ahead of the currents, having been named one of Canada's Top Growing Companies in both 2021 and 2022 by the Globe and Mail’s Report on Business Magazine and was ranked number one in the retail category on the Financial Times list of Americas’ Fastest Growing Companies for 2023. To discover the full impact of High Tide, visit www.hightideinc.com. For investment performance, don’t miss the High Tide profile pages on SEDAR and EDGAR.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This press release may contain "forward-looking information" and “forward-looking statements within the meaning of applicable securities legislation. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current belief or assumptions as to the outcome and timing of such future events. The forward-looking statements herein include, but are not limited to, statements regarding: the Company’s business objectives and milestones and the anticipated timing of, and costs in connection with, the execution or achievement of such objectives and milestones (including, without limitation, proposed acquisitions); the Company’s future growth prospects and intentions to pursue one or more viable business opportunities; the development of the Company’s business and future activities following the date hereof; expectations relating to market size and anticipated growth in the jurisdictions within which the Company may from time to time operate or contemplate future operations; expectations with respect to economic, business, regulatory or competitive factors related to the

Company or the cannabis industry generally; the market for the Company's current and proposed product offerings, as well as the Company's ability to capture market share; the Company's strategic investments and capital expenditures, and related benefits; changes in general and administrative expenses; future Business operations and activities and the timing thereof; the future tax liability of the Company; the estimated future contractual obligations of the Company; the future liquidity and financial capacity of the Company and its ability to fund its working capital requirements and forecasted capital expenditures; the distribution methods expected to be used by the Company to deliver its product offerings; the competitive landscape within which the Company operates and the Company's market share or reach; the performance of the Company's business and the operations and activities of the Company; the Company adding the number of additional cannabis retail store locations the Company proposes to add to the Company's business upon the timelines indicated herein, and the Company remaining on a positive growth trajectory; the opportunity for the Company to increase margins in markets where it operates; same-store sales continuing to increase; the ability of the Company to move toward and reach its goal to capture 15% of the Canadian retail market share outside of Quebec; the Company making meaningful increases to its revenue profile; the Company completing the development of its cannabis retail stores; the Company's ability to generate consistent free cash flow from operations and from financing activities, including by amending its loan agreement, on the timelines indicated herein; the Company's ability to create lasting, meaningful shareholder value; the Company's ability to obtain, maintain, and renew or extend, applicable authorizations, including the timing and impact of the receipt thereof; the realization of cost savings, synergies or benefits from the Company's recent and proposed acquisitions, and the Company's ability to successfully integrate the operations of any business acquired within the Company's business; the anticipated sales from continuing operations; Cabana Club and Cabana ELITE loyalty programs membership continuing to increase and the effect this will have on revenue and customer loyalty; the Company having continued upward momentum in gross margins in its Canadian bricks-and-mortar business; the Company launching additional Cabana Cannabis Co. branded SKUs on the timelines outlined herein and the effect this will have on gross margins; the Company hitting its forecasted revenue and sales projections; the intention of the Company to complete the ATM Program and any additional offering of securities of the Company; the aggregate amount of the total proceeds that the Company will receive pursuant to the ATM Program or any future offering; the Company's expected use of the net proceeds from the ATM Program or any future offering; the listing of Common Shares offered in the ATM Program or any future offering; the Company's anticipation of M&A opportunities and its plan to be selective with future M&A; and the Company continuing to grow its online retail portfolio through further strategic and accretive acquisitions.

Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements. Although the Company believes that the expectations reflected in these statements are reasonable, such statements are based on expectations, factors, and assumptions concerning future events which may prove to be inaccurate and are subject to numerous risks and uncertainties, certain of which are beyond the Company's control, including but not limited to the risk factors discussed under the heading "Non-Exhaustive List of Risk Factors" in Schedule A to *our current annual information form, and elsewhere in this press release, as such factors may be further updated from time to time in our periodic filings, available at www.sedar.com and www.sec.gov, which factors are incorporated herein by reference. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement and reflect the Company's expectations as of the date hereof and are subject to change thereafter. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, estimates or opinions, future events or results, or otherwise, or to explain any material difference between subsequent actual events and such forward-looking information, except as required by applicable law.*

CAUTIONARY NOTE REGARDING FUTURE ORIENTED FINANCIAL INFORMATION

*This press release may contain future oriented financial information ("**FOFI**") within the meaning of applicable securities legislation about prospective results of operations, financial position or cash flows, which is subject to the same assumptions, risk factors, limitations, and qualifications as set out in the above "Cautionary Note Regarding Forward-Looking Statements". FOFI is not presented in the format of a historical balance sheet, income statement or cash flow statement. FOFI does not purport to present the Company's financial condition in accordance with IFRS as issued by the International Accounting Standards Board, and there can be no assurance that the assumptions made in preparing the FOFI will prove accurate. The actual results of operations of the Company and the resulting financial results will likely vary from the amounts set forth in the analysis presented, and such variation may be material (including due to the occurrence of unforeseen events occurring subsequent to the preparation of the FOFI). The Company and management believe that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments as of the applicable date. However, because this information is highly subjective and subject to numerous risks, readers are cautioned not to place undue reliance on the FOFI as necessarily indicative of future results. Except as required by applicable securities laws, the Company undertakes no obligation to update such FOFI.*

CONTACT INFORMATION

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Management's Discussion & Analysis

For the Quarter ended April 30, 2023 and 2022

This management's discussion and analysis (this "MD&A") of High Tide Inc. ("High Tide" or the "Company") for the Quarter ended April 30, 2023, and 2022 is dated June 14, 2023. This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements of the Company for the Quarter ended April 30, 2023 and 2022 together with the notes thereto and the audited consolidated financial statements of the Company for the years ended October 31, 2022 and 2021 (hereafter the "Financial Statements"). The financial information presented in this MD&A has been derived from the Financial Statements and prepared in accordance with the International Accounting Standard ("IAS") 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board. The Company's continuous disclosure materials, including interim filings, audited annual consolidated financial statements, annual information form and annual report on Form 40-F can be found on SEDAR at www.sedar.com, with the Company's filings with the SEC at www.sec.gov.

In this MD&A, the terms "we", "us" and "our" refer to High Tide. This MD&A also refers to the Company's three reportable operating segments: (i) the "Retail" Segment represented by brands, including Canna Cabana, Grasscity, Smoke Cartel, FABCBD, Daily High Club, DankStop, Blessed CBD and NuLeaf Naturals, (ii) the "Wholesale" Segment represented by brands Valiant, and (iii) the "Corporate" Segment (each as defined below under the heading – *Glossary of Terms*).

High Tide is a leading retail-focused cannabis company enhanced by the manufacturing and distribution of consumption accessories. The Company's shares are listed on the Nasdaq Capital Market ("Nasdaq") under the ticker symbol "HITI" as of June 2, 2021, the TSX Venture Exchange ("TSXV") under the symbol "HITI", and the Frankfurt Stock Exchange under the securities identification code 'WKN: A2PBPS' and the ticker symbol "2LYA". The address of the Company's corporate and registered office is # 120 – 4954 Richard Road SW, Calgary, Alberta, T3E 6L1, while the address of the Company's headquarters is #112, 11127 15 Street NE, Calgary, Alberta, T3K 2M4.

Glossary of Terms

In this MD&A, unless otherwise indicated or if the context otherwise requires, "2018 Farm Bill" means the Agriculture Improvement Act of 2018, including any regulations promulgated thereunder, as amended; "Adjusted EBITDA" has the meaning ascribed thereto under the heading "EBITDA and Adjusted EBITDA"; "ECL" means expected credit loss; "Agents" means collectively ATB Capital Markets Inc. and ATB Capital Markets USA Inc.; "Applicable Securities Laws" means, as applicable, the securities legislation, securities regulation and securities rules, and the policies, notices, instruments and blanket orders of each Canadian securities regulator having the force of applicable law and in force from time to time; "ATM Program" means the at-the-market equity offering program of the Company established pursuant to the ATM Prospectus Supplement on December 6, 2021, which allows the Company to issue up to $40,000,000 (or the equivalent in U.S. dollars) of Common Shares from its treasury to the public from time to time, at the Company's discretion and subject to regulatory requirements; "ATM Prospectus Supplement" means the prospectus supplement of the Company dated December 3, 2021 relating to the ATM Program; "Authorizations" means, collectively, all consents, licenses, registrations, permits, authorizations, permissions, orders, approvals, clearances, waivers, certificates, and declarations issued, granted, given or otherwise made available by or under the authority of any government entity or pursuant to any requirement under applicable law; "Blessed CBD" means Enigmaa Ltd.; "Board" means the board of directors of the Company, as constituted from time to time; "Bought Deal Offering" has the meaning ascribed thereto under the heading "July 2022 Bought Deal"; "Bud Heaven" means Livonit Foods Inc.; "Bud Room" means Bud Room Inc.; "Business" means the business carried on by High Tide and its subsidiaries as at the date of this MD&A, and where the context so requires, includes the business carried on by High Tide and its subsidiaries prior to the date of this MD&A; "Canadian Shelf Prospectus" means the Company's final base shelf prospectus dated April 22, 2021 filed with the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada; "Canna Cabana" means Canna Cabana Inc.; "Cannabis Act" means the Cannabis Act (Canada), including any regulations promulgated thereunder, as amended; "Cannabis" or "cannabis" means the plant Cannabis sativa L; "Cannabinoid" means a group of closely related compounds which include cannabiol and the active constituents of cannabis; "CBD" means industrial Hemp-based cannabidiol; "CBG" means industrial Hemp-based cannabigerol; "CGU" means cash-generating unit; "Choom" means Choom Holdings Inc. and its subsidiaries and their respective stores; "Common Shares" means the common shares in the capital of the Company; "connectFirst" means Connect First Credit Union Ltd.; "connectFirst Credit Facility" has the meaning ascribed thereto under the heading "connectFirst Credit Facility"; "Corporate segment" means corporate support service to assist retail and wholesale segments; "Crossroads Cannabis" means the cannabis stores operating under the brand Crossroads Cannabis; "DankStop" means DS Distribution Inc., operating as 'Dankstop.com'; "DEA" means the U.S Drug Enforcement Administration; "Delta-8" means delta-8 tetrahydrocannabinol; "Delta-9" or "THC" means delta-9 tetrahydrocannabinol; "DSHEA" means *the Dietary Supplement Health and Education Act of 1994*; "Daily High Club" means DHC Supply, LLC; "EBITDA" means earnings before interest, taxes, depreciation and amortization; "Equity Distribution Agreement" means the equity distribution agreement dated December 3, 2021 entered into among the Company and Agents associated with the ATM Program; "Exchange Act" means *the Securities Exchange Act of 1934*; "FABCBD" means Fab Nutrition, LLC; "Federal Paraphernalia Law" means *U.S. Code Title 21 Section 863*; "FDA" means U.S. Food and Drug Administration; "FDCA" means *the Federal Food, Drug, and Cosmetic Act*; "FOFI" means future oriented financial information; "FTC" means the U.S. Federal Trade Commission; "FTCA" means *the Federal Trade Commission Act*; "FVLCD" means fair value less costs of disposal; "FVTPL" means fair value through profit and loss; "GBP" means British pound sterling; "Grasscity" means collectively, High Tide B.V., SJV B.V., and SJV2 B.V.; "Halo Kushbar" means the sale of three operating Kushbar retail cannabis assets to Halo Labs Inc.; "Hemp" means the plant cannabis sativa L. and any part of that plant, including the seeds thereof, and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a THC concentration of not more than 0.3% on a dry weight basis; "IAS" means International Accounting Standards ; "ICFR" means internal control over financial reporting; "IFR" means Interim Final Rule; "IFRS Committee" means IFRS Interpretations Committee; "IND" means Investigational New Drug Application; "IND Preclusion" means section 201(ff)(3)(B)(ii) of the FDCA; "Kensington" means the licensed cannabis retail store location in Alberta purchased on June 4, 2022 ; "Key Personnel" means collectively Management and certain consultants; "Jimmy's" means 1171882 B.C. Ltd., operating as Jimmy's Cannabis Shop BC; "July 2022 Warrant" has the meaning ascribed thereto under the heading "July 2022 Bought Deal"; "Lender" means ATB Financial; "Licensed Producers" means any Person duly authorized by Health Canada pursuant to applicable laws to engage in the cultivation, production, growth and/or distribution of cannabis; "Person" includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative or government (including any governmental entity), syndicate or other entity, whether or not having legal status; "Management" means the management of the Company, as constituted from time to time; "Material Adverse Effect" means a material adverse effect on the Business carried on by the Company and its subsidiaries as at the date of this MD&A, the properties, assets, liabilities (including contingent liabilities), results of operations, financial performance, financial condition, or the market and trading price of the securities, of the Company and its subsidiaries, taken as a whole; "Meta Growth" means Meta Growth Corp.; "NI 52-109" means National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings; "SEC" means the U.S. Securities and Exchanges Commission; "SPPI" means solely payment of principal and interest; "NDI" means New Dietary Ingredient; "NuLeaf Naturals" means NuLeaf Naturals, LLC; "Omnibus Plan" means the 20% fixed compensation incentive plan of the Company, as amended from time to time; "Ontario Lottery Winner" means the third winner of the lottery conducted by the Alcohol and Gaming Commission of Ontario on January 11, 2019, for the allocation of one of the 25 limited opportunities to apply for a Retail Store Authorization to operate a cannabis retail store in the Province of Ontario whom the Company entered into an option agreement with and ultimately purchased stores from; "Registration Statement" means the Company's registration statement on Form F-10 in connection with the Company becoming a registrant effective June 2, 2021 with the SEC upon the Company's Form 40-F registration statement becoming effective; "Retail Store Authorization" means, collectively, the Authorizations required to engage in the retail sale and distribution of adult-use cannabis and cannabis products at licensed premises; "RSU" means restricted share units of the Company granted pursuant to the Omnibus Plan; "Sarbanes-Oxley" means *the Sarbanes-Oxley Act* (United States); "SKU" means stock keeping unit; "Smoke Cartel" means Smoke Cartel USA Inc.; "U.K." means the United Kingdom; "Unit" has the meaning ascribed thereto under the heading "July 2022 Bought Deal"; "U.S." means United States of America; "U.S. Base Prospectus" means the Company's U.S. base prospectus dated September 17, 2021 included in the Registration; "U.S. Prospectus Supplements means the prospectus supplement dated December 3, 2021 to the U.S. Base Prospectus; "USD" United States dollars; "USDA" means the U.S. Department of Agriculture; "Valiant" means Valiant Distribution Canada Inc.; "Warrants" means the Common Share purchase warrants of the Company.

Corporate Overview

Nature of Operations

The Company's vision is to offer a full range of best-in-class products and services to cannabis consumers, while growing organically and through acquisitions, to become the world's premier retail-focused and vertically integrated cannabis enterprise.

The Company's retail operations are focused on business-to-consumer markets. The operations of Canna Cabana is focused on the retail sale of recreational cannabis products for adult use as well as consumption accessories in Canada. The Company's e-commerce operations are made up of Grasscity, Smoke Cartel, FABCBD, Daily High Club, DankStop, Blessed CBD and NuLeaf Naturals. Grasscity has been operating as a major e-commerce retailer of consumption accessories for over 20 years. It has significant brand equity in the United States and around the world, while providing an established online sales channel for High Tide to sell its proprietary products. Smoke Cartel was founded in 2013 and has grown to become one of the most searchable sites of its kind. FABCBD was founded in 2017 and has grown to be one of the leading online retailers in the Hemp-derived CBD space in the United States, and with over one million consumption accessories sold under the Daily High Club name, Daily High Club has become one of the leading online retailers of in demand consumption accessories and monthly subscription boxes. DankStop is a leading online consumption accessories retailer. With an industry leading and innovative website and a dedicated support team, DankStop has been raising the bar for online consumption supply industry since 2014. Blessed CBD is one of the leading online retailers for CBD products in the U.K. Blessed CBD provides a marketplace with a wide variety of high-quality products and formulas, affordable pricing, rapid dependable shipping, and surprisingly personable customer service. Blessed CBD has been featured as the best U.K. CBD oil in several publications including The Mirror, Reader's Digest, and Maxim Magazine, further establishing the Company's e-commerce presence. NuLeaf Naturals is one of America's leading CBD companies. Since 2014, NuLeaf Naturals has been committed to creating the world's highest quality CBD products in their most pure and potent form. NuLeaf Naturals' products are produced at a cGMP-certified facility enabling them to manufacture groundbreaking CBD formulations while exceeding the highest levels of regulatory compliance. NuLeaf Naturals is committed to creating safe, consistent, and effective products and has proudly received over 25,000 verified 5-star customer reviews through their e-commerce platform.

The wholesale operations of Valiant helps with the overall product strategy of the retail operations of the Company and are primarily focused on the manufacturing and distribution of consumption accessories. Valiant designs and distributes a proprietary suite of branded consumption accessories including overseeing their contract manufacturing by third parties. Valiant also focuses on acquiring celebrity licenses, designing, and distributing branded consumption accessories. Additionally, it also distributes a minority of products that are manufactured by third parties. Valiant does not sell its products directly to consumers but operates an e-commerce platform for wholesale customers.

Established Consumer Brands (as of the date of this MD&A):

(In thousands of Canadian dollars, except share and per share amounts or otherwise stated)

Competitive Landscape

As of the date of this MD&A, the Company operates 153 branded retail cannabis stores across Canada. The Company operates 150 corporately owned retail cannabis locations represented by 77 locations in Alberta, 48 locations in Ontario, 10 locations in Saskatchewan, 7 locations in British Columbia, and 8 locations in Manitoba. Further, the Company has a 50% interest in a partnership that operates a branded retail Canna Cabana location in Sudbury, Ontario and two joint venture operations with a 49% interest that operates two branded retail locations in Manitoba.

The Company's retail recreational cannabis products operation operates amongst many competitors, both consolidated chains and independent operators. Notable competitors include Fire & Flower Holdings Corp. and NOVA Inc., as well as numerous independent retailers.

Most of the Company's competitors applicable to its Wholesale Segment operate primarily as product distributors, while Valiant designs, sources and distributes most of their own products. This creates advantages through vertical integration, thereby enabling Valiant to bring unique product designs to market and offer wholesale customers favourable terms, proprietary products, and flexible pricing.

In the future, the Company expects that its brick-and-mortar retail operations will experience slightly reduced competition to what it has faced in prior quarters from the recreational cannabis industry as a greater number of third-party stores are realizing negative or flat growth across Canada. As the legalization of Cannabis in Canada occurred on October 2018, the Company expects that a significant amount of leases are coming due after hitting the standard five-year renewal period. Our expectation is that a few competitors will not renew their leases. The Company believes through its innovative discount club model, that its vertically integrated e-commerce and wholesale operations, product and industry knowledge, robust loyalty program, and operational expertise will enable it to operate profitably over the long term. While the Company is presently focused on its existing markets in the Provinces of Ontario, Alberta, Saskatchewan, British Columbia, and Manitoba, the Company is looking to expand its presence in Ontario and other provinces which we anticipate in fiscal year 2023. The Company is currently evaluating entering other provinces and territories including Northwest Territories, and the Yukon as regulations permit and anticipates being able to grow both organically as well as through acquisitions in the future.

Select Financial Highlights and Operating Performance

	Three months ended April 30			Six months ended April 30		
	2023	2022	Change	**2023**	2022	Change
	$	$		**$**	$	
Revenue	**118,136**	81,031	46%	**236,212**	153,249	54%
Gross Profit	**31,569**	22,694	39%	**63,751**	45,676	40%
Gross Profit Margin	**27%**	28%	(1%)	**27%**	30%	(3%)
Total Operating Expenses(i)	**(34,211)**	(30,272)	(13%)	**(70,314)**	(59,401)	(18%)
Adjusted EBITDA(ii)	**6,589**	2,401	174%	**12,089**	5,357	126%
Loss from Operations	**(2,642)**	(7,578)	65%	**(6,563)**	(13,725)	52%
Net loss	**(1,568)**	(8,277)	81%	**(5,429)**	(15,629)	65%
Loss per share (Basic)	**(0.02)**	(0.14)	85%	**(0.07)**	(0.28)	74%

Note:
(i) Total operating expenses is a non-IFRS financial measure.
(ii) Adjusted EBITDA is a non-IFRS financial measure. A reconciliation of the Adjusted EBITDA to Net (Loss) income is found under "EBITDA and Adjusted EBITDA" in this MD&A.

Revenue increased by 46% to $118,136 in the second quarter of 2023 (2022: $81,031) and gross profit increased by 39% to $31,569 in the second quarter of 2023 (2022: $22,694). Loss from operations was $2,642 in the second quarter of 2023 (2022: loss $7,578).

The key factors affecting the results for the quarter ended April 30, 2023, were:

- **Merchandise Sales** – Merchandise sales increased by 46% for the quarter ended April 30, 2023, as compared to 2022. Growth in revenue was largely driven by organic growth and continued increase in same store sales. Same-store sales increased by 30% compared to 2022.

- **Gross Profit Margin** – Gross Profit Margin decreased by 1% for the quarter ended April 30, 2023, as compared to 2022. The decrease in gross profit margin was driven due to the strategic shift in our retail strategy with the launch of the discount club model and decrease in volume in the e-commerce business that has higher margins compared to the brick and mortar retail segment.

- **Operating Expenses** – Operating expenses increased by 13% for the quarter ended April 30, 2023, compared to 2022, and as a percentage of revenue decreased by 8% in the second quarter of 2023 to 29% (2022: 37%). Operating expenses increased over the same period in 2022 due to the Company's continued growth of their Retail Segment through new store openings, the acquisitions of Jimmy's, Choom, Bud Room, 2080791 Alberta Ltd., Crossroads Cannabis, Bud Heaven, Halo Kushbar, Ontario Lottery Winner, and Kensington.

Revenue

Revenue increased by 46% to $118,136 in the second quarter of 2023 (2022: $81,031) and by 54% to $236,212 in six-month period ended April 30, 2022 (2022: $153,249).

The increase in revenue was driven primarily by the Company's Retail Segment through the acquisitions of Bud Room on Feb 9, 2022, 2080791 Alberta Ltd. on April 21, 2022, Crossroads Cannabis on April 26, 2022, Ontario Lottery Winner on May 10, 2022, Bud Heaven on June 1, 2022, Kensington on June 4, 2022, and Halo Kushbar on July 15, 2022, Choom on August 2, 2022, Jimmy's Cannabis on December 29, 2022 and was also due to the shift in the retail pricing strategy, and launch of our discount club model and organic growth.

Canna Cabana provides a unique customer experience focused on retention and loyalty through the Cabana Club membership platform. Members of Cabana Club receive member-only pricing, short message service and email communications highlighting new and upcoming product arrivals, member-only events, and other special offers. The database communicates with highly relevant consumers who are segmented at the local level by delivering regular content that is specific to their local Canna Cabana. As of the date of this MD&A, over 1,040,000 members have joined Cabana Club, with over 90% of our average daily transactions conducted by club members. Additionally, approximately 13,500 members have joined Cabana ELITE, an optional paid membership upgrade for Cabana Club members, generating over $405 in membership fees.

Gross Profit

For the quarter ended April 30, 2023, gross profit increased by 39% to $31,569 (2022: $22,694) and by 40% to $63,751 for the six-month period ended April 30, 2022 (2022: $45,676). The increase in gross profit was driven by an increase in sales volume due to the change in retail pricing strategy as well as the acquisitions of Bud Room, 2080791 Alberta Ltd., Crossroads Cannabis, Bud Heaven, Halo Kushbar, Ontario Lottery Winner, Kensington, Choom, and Jimmy's. The gross profit margin decreased to 27% for the quarter ended April 30, 2023 (2022: 28%). The decrease in gross profit margin was driven by the decrease in volume in the e-commerce business that has higher margins compared to the retail segment.

Operating Expenses

Total operating costs increased by 13% to $34,211 in the second quarter of 2023 (2022: $30,272) and by 18% to $70,314 for the six-month period ended April 30, 2023 (2022: $59,401). For the second quarter of 2023 operating expenses as a percentage of revenue decreased to 29% compared to 37% in Q2 2022. Operating expenses increased over the same period in 2022 due to the Company's continued growth of our Retail Segment through new store openings and acquisitions.

Salaries, wages, and benefits expenses increased by 45% to $13,940 in the second quarter of 2023 (2022: $9,592) and by 45% to $28,242 for the six-month period ended April 30, 2023 (2022: $19,479). The increase in staffing was due primarily to acquisitions, as well as an additional corporate level personnel to facilitate the integration of acquisitions and to support the growth in the number of cannabis locations.

Share-based compensation decreased to $1,532 for the quarter ended April 30, 2023 (2022: $2,353) and to $2,968 for the six-month period ended April 30, 2023 (2022: $4,255). The decrease in share-based compensation was primarily due to lower amount being granted for options and RSUs to employees, directors, and consultants of the Company.

General and administrative expenses decreased by 6% to $6,191 in the second quarter of 2023 (2022: $5,815) and increased by 39% to $13,688 for the six-month period ended April 30, 2023 (2022: $9,843).

Professional fees expense increased by 39% to $2,684 for the second quarter of 2023 (2022: $1,932) and by 7% to $5,112 for the six-month period ended April 30, 2023 (2022: $4,765), due to increased additional costs related to tax and accounting services for newly acquired entities, and legal fees in the normal course of Business.

Advertising and promotion expense decreased by 50% to $1,048 for the second quarter of 2023 (2022: $2,095) and by 44% to $2,537 for the six-month period ended April 30, 2023 (2022: $4,498). The decrease in advertising and promotion costs was primarily driven by the reduction in online traffic due to the pandemic impact lessening in late 2022 and the change in the strategy where the Company is moving towards a centralize marketing approach for all CBD business.

Depreciation and amortization expense on property, equipment, intangibles, and right-of-use assets of $7,699 for the second quarter of 2023 (2022: $7,627) and $15,685 for the six-month period ended April 30, 2023 (2022: $14,738) for the second quarter of 2023 increased by 6% compared to 2022 primarily due to the acquisitions of Bud Room, 2080791 Alberta Ltd., Crossroads Cannabis, Bud Heaven, Halo Kushbar, Ontario Lottery Winner, Kensington, Choom, Jimmy's, and the building of 10 new stores.

Interest and bank charges increased by 30% to $1,117 for the second quarter of 2023 (2022: $858) and by 20% to $2,082 for the six-month period ended April 30, 2023 (2022: $1,734). The increase in interest and bank charges is primarily due to increased merchant charges incurred through the normal course of business through the acquired operations of Bud Room, 2080791 Alberta Ltd., Crossroads Cannabis, Bud Heaven, Halo Kushbar, Ontario Lottery Winner, Kensington, Choom, Jimmy's, and the building of 10 new stores.

Financing and Other Costs

Financing and other costs were flat with $2,194 recorded for the quarter ended April 30, 2023 (2022: $2,210) and $4,672 for the six-month period ended April 30, 2023 (2022: $4,670). The increase in Interest bearing loans and borrowings was partially offset by a reduction in transaction costs.

Revaluation of Derivative Liability

The Company recorded a gain from the revaluation of derivative liability of $1,288 during the second quarter of 2023 (2022: gain of $728) and $2,549 for the six-month period ended April 30, 2023 (2022: gain of $1,253). During the quarter the derivative liability increased as a result of a revaluation of put options associated with the acquisitions of NuLeaf Naturals, Blessed CBD, and FABCBD.

ATM Program

Pursuant to the ATM Program, during the second quarter ended April 30, 2023, the Company issued an aggregate of 22,000 Common Shares over the TSXV and Nasdaq, for aggregate gross proceeds to the Company of $41 (Quarter ended April 30, 2022: 1,336,313 Common Shares; $7,407), with most of this amount raised between Dec 2022 and January 2023. We have not issued any shares under the ATM since the end of the quarter.

Pursuant to the Equity Distribution Agreement, a cash commission of $1 on the aggregate gross proceeds raised was paid to the Agents in connection with their services under the Equity Distribution Agreement during the second quarter ended April 30, 2023.

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

Common Shares issued pursuant to the ATM Program will be issued pursuant to the ATM Prospectus Supplement to the Canadian Shelf Prospectus and U.S. Prospectus Supplement. The Canadian Prospectus Supplement and Canadian Shelf Prospectus are available for download from SEDAR at www.sedar.com, and the U.S. Prospectus Supplement, U.S. Base Prospectus and Registration Statement are accessible via EDGAR on the SEC's website at www.sec.gov.

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

July 2022 Bought Deal

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

connectFirst Credit Facility

On August 15, 2022, the Company entered into a $19,000 demand term loan with connectfirst (the "connectFirst Credit Facility") with the first tranche, $12,100, available in a single advance, and the second tranche, $6,900, available in multiple draws subject to certain pre-disbursement conditions. The demand loan bears interest at connectFirst's prime lending rate plus 2.50% per annum and matures on October 7, 2027.

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

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

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

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

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

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

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

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

Covenants attached to the connectFirst Credit Facility:

(a) The Company's debt service coverage ratio shall be not less than 1.40:1, to be tested at the end of each fiscal quarter of the Company based on a trailing four-quarters basis using consolidated financial statements beginning April 30, 2023. As at April 30, 2023, the Company was in compliance with the debt service coverage ratio.

(b) The Company shall at all times maintain in the Company's account with connectFirst the greater of $7,500 and 50% of the aggregate debt of the Company to connectFirst. A five-business day cure period is permitted. Included in the Cash and cash equivalents is $8,967 held in the Company's account with connectFirst.

(c) The Company shall at all times maintain a current ratio of not less than 1.25:1, to be tested monthly using consolidated financial statements. As at April 30, 2023, the Company was in compliance with the current ratio.

(d) The Company shall at all times maintain a funded debt to EBITDA ratio of not more than 3:1, to be tested quarterly on a consolidated basis beginning April 30, 2023. As at April 30, 2023, the Company was in compliance with the funded debt to EBITDA ratio.

As at April 30, 2023, the Company has met all the requirements of the connectFirst Credit Facility.

(In thousands of Canadian dollars, except share and per share amounts or otherwise stated)

Segment Operations

For the three months ended April 30,	Retail 2023 ($)	Retail 2022 ($)	Wholesale 2023 ($)	Wholesale 2022 ($)	Corporate 2023 ($)	Corporate 2022 ($)	Total 2023 ($)	Total 2022 ($)
Total revenue	**117,529**	80,045	**428**	973	**179**	13	**118,136**	81,031
Gross profit	**31,339**	22,536	**54**	135	**176**	23	**31,569**	22,694
(Loss) income from operations	**5,624**	(1,021)	**(781)**	(592)	**(7,485)**	(5,965)	**(2,642)**	(7,578)

For the six months ended April 30,	Retail 2023 ($)	Retail 2022 ($)	Wholesale 2023 ($)	Wholesale 2022 ($)	Corporate 2023 ($)	Corporate 2022 ($)	Total 2023 ($)	Total 2022 ($)
Total revenue	**234,455**	151,011	**1,578**	2,186	**179**	52	**236,212**	153,249
Gross profit	**63,280**	45,304	**296**	314	**175**	58	**63,751**	45,676
(Loss) income from operations	**9,479**	(1,588)	**(1,723)**	(910)	**(14,319)**	(11,227)	**(6,563)**	(13,725)

As at April 30, 2023 and October 31, 2022	Retail 2023 ($)	Retail 2022 ($)	Wholesale 2023 ($)	Wholesale 2022 ($)	Corporate 2023 ($)	Corporate 2022 ($)	Total 2023 ($)	Total 2022 ($)
Total assets	**227,935**	241,394	**8,357**	11,949	**31,801**	21,400	**268,093**	274,743
Total liabilities	**66,126**	71,780	**340**	3,054	**37,248**	37,876	**103,714**	112,710

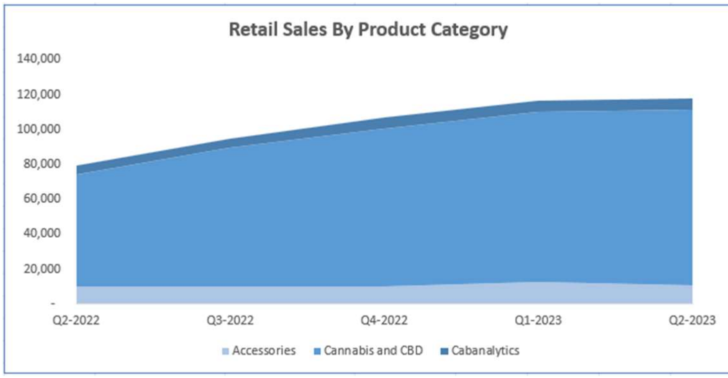
(In thousands of Canadian dollars, except share and per share amounts or otherwise stated)

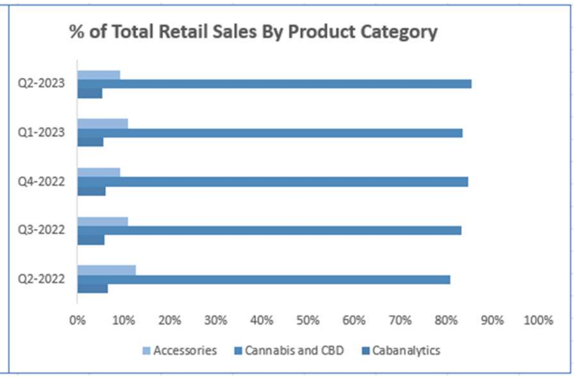
For the three months ended April 30,	Canada 2023 ($)	Canada 2022 ($)	USA 2023 ($)	USA 2022 ($)	International 2023 ($)	International 2022 ($)	Total 2023 ($)	Total 2022 ($)
Total revenue	**103,606**	63,456	**13,661**	15,937	**869**	1,638	**118,136**	81,031
Gross profit	**24,843**	13,922	**6,370**	8,756	**356**	16	**31,569**	22,694
(Loss) income from operations	**(2,788)**	(8,420)	**65**	322	**81**	520	**(2,642)**	(7,578)

For the six months ended April 30,	Canada 2023 ($)	Canada 2022 ($)	USA 2023 ($)	USA 2022 ($)	International 2023 ($)	International 2022 ($)	Total 2023 ($)	Total 2022 ($)
Total revenue	**203,368**	115,898	**30,734**	33,381	**2,110**	3,970	**236,212**	153,249
Gross profit	**48,251**	25,874	**14,580**	17,147	**920**	2,655	**63,751**	45,676
(Loss) income from operations	**(7,719)**	(17,155)	**709**	1,460	**447**	1,970	**(6,563)**	(13,725)

As at April 30, 2023 and October 31, 2022	Canada 2023 ($)	Canada 2022 ($)	USA 2023 ($)	USA 2022 ($)	International 2023 ($)	International 2022 ($)	Total 2023 ($)	Total 2022 ($)
Total assets	**182,061**	183,640	**76,524**	77,247	**9,508**	13,856	**268,093**	274,743
Total liabilities	**84,869**	85,925	**17,210**	24,897	**1,635**	1,888	**103,714**	112,710

Retail Segment Performance





The Company's Retail Segment demonstrated yearly sales growth with an increase in revenue of 47% to $117,529 for the quarter ended April 30, 2023 compared to Q2 2022. Revenue growth is primarily attributable to the Company's shift in the retail pricing strategy and launch of our discount club model. Additionally, the increase in revenue was due to the acquisitions of Bud Room, 2080791 Alberta Ltd., Crossroads Cannabis, Ontario Lottery Winner, Bud Heaven, Kensington, Halo Kushbar, Choom, Jimmy's, and the building of 10 new stores.

For the three-month period ended April 30, 2023 the Company recognized $6,366 in revenue generated from its proprietary data analytics service named Cabanalytics™. The Cabanalytics™ program provides subscribers with a monthly report of anonymized consumer purchase data, in order to assist them with forecasting and planning their future product decisions and implementing appropriate marketing initiatives.

Gross profit for the quarter ended April 30, 2023, increased by $8,803 compared to prior year and the gross profit margin decreased to 27% (2022: 28%). The major decrease in gross profit margin was driven by the decrease in volume in the e-commerce business that has higher margins compared to the retail segment. As well as the decrease in the gross margin was due to a change in pricing strategy to maintain and grow market share. The shift in pricing strategy was due to competitive landscape and the Company's launch of its innovative discount club model.

For the quarter ended April 30, 2023, the Retail Segment recorded an income from operations of $5,624 compared to loss from operations of $1,021 for the same quarter in the prior year. The increase in income from operations was primarily due to continued same store sales increases in the companies' bricks and mortar stores as well as the acquisitions of Bud Room, 2080791 Alberta Ltd., Crossroads Cannabis, Ontario Lottery Winner, Bud Heaven, Kensington, Halo Kushbar, Choom, and Jimmy's.

Same-store retail sales

Same-store sales refers to the change in revenue generated by the Company's existing retail cannabis locations over the quarter and is based on the number of stores that have been fully operational during the full current and comparison year. The Company had 104 cannabis locations that were operational for the quarter ended April 30, 2023 and 2022. For these 104 cannabis locations, same-store sales increased by 30% compared to 2022. The increase was due to the Company's shift in the retail pricing strategy and launch of our discount club model. The Company's bricks-and-mortar locations generated same store sales growth of 30% compared to last year and 1% sequentially in the second fiscal quarter of 2023. Calculated daily same store sales increased by 5% as there are three fewer days in Q2 2023.

Grasscity.com

During the fiscal year 2023, Grasscity processed 73,454 orders (Fiscal year 2022: 74,635). High Tide continues to invest in Grasscity to refresh its online sales platform, increasing the number of items available for sale, increase its searchability, align its supply chain with Valiant, and optimize its distribution channels. Grasscity enables the Company to leverage its vertical integration to improve order fulfillment, customer reach, product margins and its overall profitability. Grasscity began selling Cannabis seed in the United States on December 13, 2022.

Smokecartel.com

On March 24, 2021, the Company closed the acquisition of Smoke Cartel. Founded in 2013, SmokeCartel.com has grown to become one of the leaders in global online retailers of high-tech consumption accessories. During the fiscal year 2023, Smoke Cartel processed 106,006 orders (Fiscal year 2022: 97,582). Smoke Cartel began selling cannabis seed in the United States on December 13, 2022.

Fabcbd.com

On May 10, 2021, the Company closed the acquisition of an 80% interest in FABCBD with an option to acquire the remaining 20% over the three years from the date of acquisition. Founded in 2017, Fabcbd.com has grown to become one of the leading online retailers in hemp derived CBD products. During the fiscal year 2023, FABCBD processed 25,994 orders (Fiscal year 2022: 21,814). The Company also launched a CBD Subscribe-and-Save discount program. Under this program, members are able to customize their orders each month to suit their specific needs.

Dailyhighclub.com

On July 6, 2021, the Company closed the acquisition of Daily High Club. Daily High Club has grown to become one of the leading online retailers in on demand consumption accessories, selling over one million Daily High Club branded consumption accessories. During the fiscal year 2023, Daily High Club processed 83,218 orders (Fiscal year 2022: 93,386).

Dankstop.com

On August 12, 2021, the Company closed the acquisition of DankStop. DankStop is a leading online consumption accessories retailer. With an industry leading and innovative website, and dedicated support team, DankStop has raised the bar for the online consumption supply industry since 2014. During the fiscal year 2023, DankStop processed 19,147 (Fiscal year 2022: 19,656) orders.

Blessedcbd.co.uk

On October 19, 2021, the Company closed the acquisition of an 80% interest in Blessed CBD, with an option to acquire the remaining 20% over the three years from the date of acquisition. Blessed CBD is one of the leading online retailers of Hemp-derived CBD products in the U.K. Blessed CBD provides a marketplace with a wide variety of high-quality products and formulas, affordable pricing, rapid dependable shipping, and surprisingly personable customer service. Blessed CBD has been featured as the best UK CBD Oil in several publications including The Mirror, Reader's Digest, and Maxim Magazine. During the fiscal year 2023, Blessed CBD processed 15,847 orders (Fiscal year 2022: 34,748). The Company also launched a CBD Subscribe-and-Save program called the Wellness Club. Under the Wellness Club program, members can customize their orders each month with various items across the Company's product lines. On March 9, 2022, Blessed CBD entered the German market with online sales of its full spectrum CBD oils, gummies, capsules, creams, and balms via its official website at www.BlessedCBD.de. Additionally, on June 13, 2022, the Company entered into an agreement with Amazon.com, Inc. to sell its products on their ecommerce platforms.

NuLeafNaturals.com

On November 29, 2021, the Company closed the acquisition of an 80% interest in NuLeaf Naturals with an option to acquire the remaining 20% over the three years from the date of acquisition. NuLeaf Naturals is one of America's leading Cannabinoid companies. Since 2014, NuLeaf Naturals has been committed to creating the world's highest quality CBD products in their most pure and potent form. NuLeaf Naturals manufacturing facility is a cGMP-certified facility enabling them to manufacture ground-breaking CBD formulations while exceeding the highest levels of regulatory requirement. The company is committed to creating safe, consistent, and effective products and has proudly received over 25,000 verified five-star customer reviews through their e-commerce platform. NuLeaf Naturals conducts its operations within States of the U.S. in which the sale of its Hemp-based products does not expressly violate State-controlled substance Laws. During the fiscal year 2023, NuLeaf Naturals processed 57,370 orders (Fiscal year 2022: 35,078).

On May 25, 2022, NuLeaf Naturals launched a revamped Subscribe-and-Save program, based on the success of the similarly named and designed subscription program launched by fellow U.S. Subsidiary, FABCBD. Under this program, customers are able to customize their orders each month to suit their specific needs, with items from across all NuLeaf Naturals' product lines including oils, soft gels, topicals, and pet treats. Customers also have the ability to customize their delivery frequency for each individual product in their order, allowing delivery frequencies to optimally match each customer's needs for every product. In addition, by opting-in to the Subscribe-and-Save discount program, customers receive a 20% discount for life on all NuLeaf Naturals products that they purchase.

Wholesale Segment Performance

Revenues in the Company's Wholesale Segment decreased to $428 for the quarter ended April 30, 2023 (2022: $973). Decrease in revenue is a result of a shift in focus to support the core Retail Segment.

Gross profit decreased to $54 for the quarter ended April 30, 2023 (2022: $135).

The Wholesale Segment reported loss from operations of $781 for the quarter ended April 30, 2023 (2022: $592).

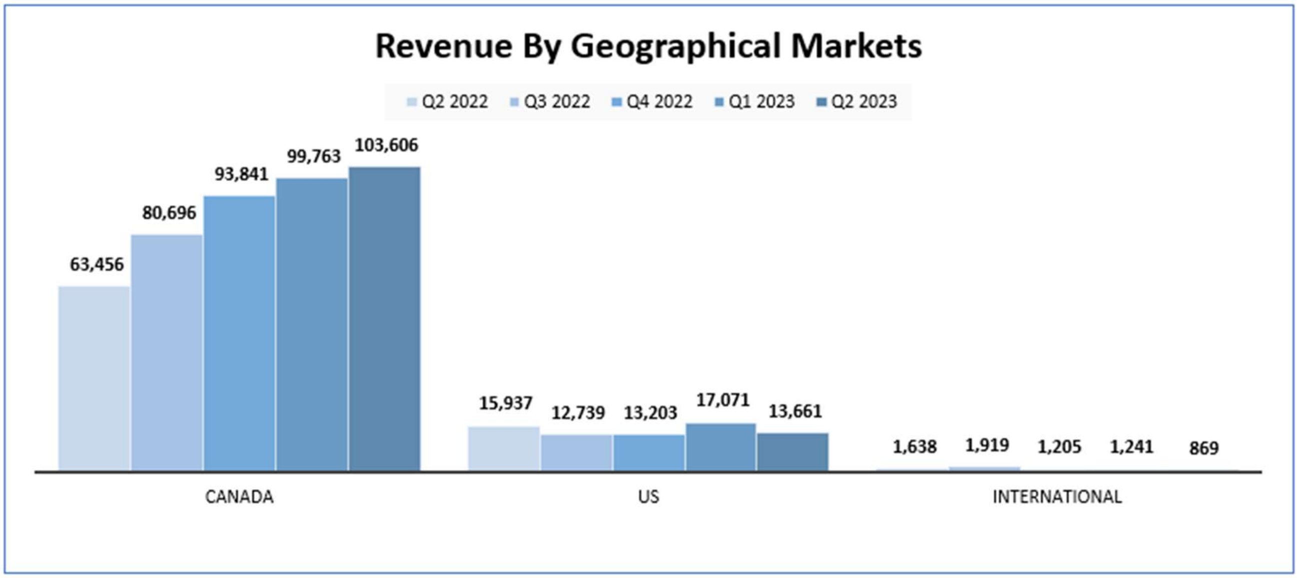
Corporate Segment Performance

The Corporate Segment's main function is to administer the other two segments (Retail and Wholesale) and is responsible for the executive management and financing needs of the business.

(In thousands of Canadian dollars, except share and per share amounts or otherwise stated)

Geographical Markets

Geographical markets represent revenue based on the geographical locations of the customers who have contributed to the revenue. The following is a representation of these geographical markets:



* United States and international revenues are related to sale of consumption accessories and CBD and not related to sale of cannabis.

The following presents information related to the Company's geographical markets:

For the three months ended April 30	**2023 Retail**	2022 Retail	**2023 Wholesale**	2022 Wholesale	**2023 Corporate**	2022 Corporate	**2023 Total**	2022 Total
	$	$	**$**	$	**$**	$	**$**	$
Primary geographical markets [i]								
Canada	**103,380**	62,891	**47**	552	**179**	13	**103,606**	63,456
United States	**13,280**	15,516	**381**	421	**-**	-	**13,661**	15,937
International	**869**	1,638	**-**	-	**-**	-	**869**	1,638
Total revenue	**117,529**	80,045	**428**	973	**178**	13	**118,136**	81,031

Note:
[i] Represents revenue based on geographical locations of the customers who have contributed to the revenue generated in the applicable segment.

Revenue for the year increased with Canna Cabana leading Canadian sales and NuLeaf Naturals contributing to sales in the United States. Revenue from US entities decreased to $30,734 for the year ended April 30, 2023 (2022: $33,381). Public DTC ecommerce growth rates have been in decline over 2022, with the trend continuing into 2023. Macroeconomic factors like inflation will continue to have an impact as well, as consumers continue to prioritize cannabis consumption over accessories and CBD. Despite these facts, Q2 is traditionally a slower quarter with 3 fewer days than the previous quarter, which also includes holiday revenues.

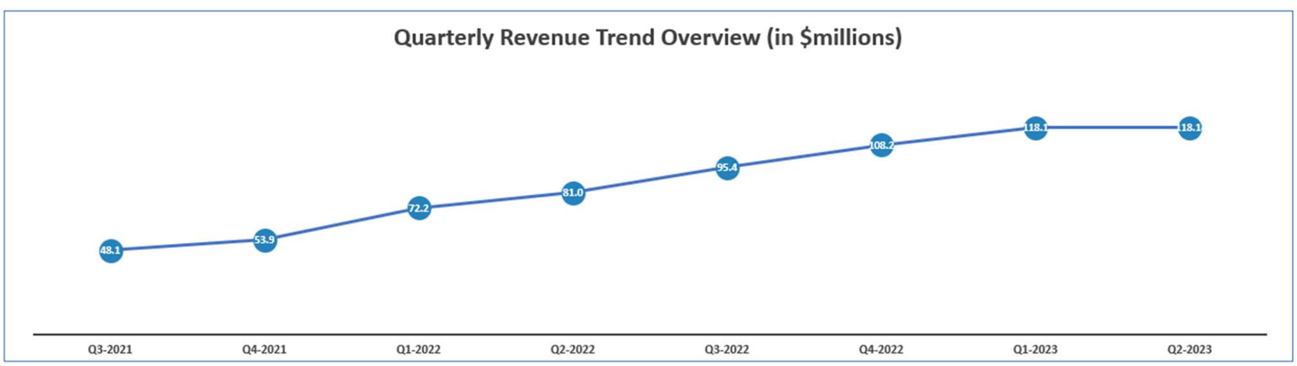
Summary of Quarterly Results

(C$ in thousands, except per share amounts)	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
Revenue	118,136	118,076	108,249	95,354	81,031	72,218	53,867	48,069	40,868
Adjusted EBITDA (i)	6,589	5,500	5,018	4,246	2,401	2,955	1,642	1,540	4,720
Loss from Operations	(2,642)	(3,922)	(53,908)	(4,670)	(7,578)	(6,147)	(4,851)	(7,267)	(4,511)
Net loss	(1,568)	(3,862)	(52,505)	(2,717)	(8,277)	(7,352)	(4,176)	(1,750)	(12,266)
Basic net loss per share (ii)	(0.02)	(0.05)	(0.85)	(0.04)	(0.14)	(0.14)	(0.09)	(0.03)	(0.30)

Notes:
(i) Adjusted EBITDA is a non-IFRS financial measure. A reconciliation of the Adjusted EBITDA to Net Loss is found under "EBITDA and Adjusted EBITDA" in this MD&A.
(ii) Net loss per share (Basic) for the quarters Q4 2020 to Q2 2021 have been retroactively adjusted to reflect the one-to-fifteen (1:15) reverse share split of all of the Company's issued and outstanding Common Shares that was completed on May 13, 2021.

Aside from the seasonal increase in consumer spending leading up to the winter holiday period, which occurs in the first quarter of the Company's fiscal year, quarter over quarter revenues increased as the Company aggressively expanded Canna Cabana operations and integrated the acquired businesses of Bud Room, 2080791 Alberta Ltd., Crossroads Cannabis, Ontario Lottery Winner, Bud Heaven, Kensington, Choom, Jimmy's, and the building of 10 new stores.

Adjusted EBITDA increased by 174% or $4,188 for the quarter ended April 30, 2023 compared to the same quarter in the prior year as a result of an increase in revenue due to business combinations and organic growth, which is offset by a decrease in gross margin percentage in the bricks and mortar business due to a shift in retail pricing strategy which is in-line with the current market. Another main driver for the decrease in gross profit margin was by the decrease in volume in the e-commerce business that has higher margins compared to the retail segment. Further impacting adjusted EBITDA is the acquisition of Bud Room, 2080791 Alberta Ltd., Crossroads Cannabis, Bud Heaven, Halo Kushbar, Ontario Lottery Winner, Kensington, Choom, Jimmy's, and the building of 10 new stores.



(In thousands of Canadian dollars, except share and per share amounts or otherwise stated)

EBITDA and Adjusted EBITDA

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

The reconciling items between net earnings, EBITDA, and Adjusted EBITDA are as follows:

	2023[i]		2022[ii]				2021[iii]		
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net loss	(1,568)	(3,862)	(52,502)	(2,717)	(8,277)	(7,352)	(4,176)	(1,750)	(12,266)
Income tax expense (recovery)	(2,041)	(1,236)	(1,782)	731	(800)	(1,064)	(1,418)	224	(124)
Accretion and interest	1,759	1,813	782	1,048	1,541	1,551	1,515	1,095	2,838
Depreciation and amortization	7,699	7,986	8,249	7,182	7,627	7,111	1,458	8,299	7,714
EBITDA	**5,849**	**4,701**	**(45,253)**	**6,244**	**91**	**246**	**(2,621)**	**7,868**	**(1,838)**
Foreign exchange loss (gain)	2	(15)	(14)	120	107	97	473	(28)	5
Transaction and acquisition costs	435	665	2,444	1,436	669	909	483	1,939	889
(Gain) loss revaluation of derivative liability	(1,288)	(1,261)	(3,166)	(6,078)	(728)	(525)	(1,564)	(5,919)	3,988
Loss (gain) on extinguishment of debenture	-	-	609	(140)	(133)	18	73	-	-
Impairment loss	-	-	48,592	-	-	89	2,676	57	-
Share-based compensation	1,532	1,436	2,091	1,734	2,353	1,902	2,301	508	1,517
(Gain) loss on revaluation of marketable securities	(19)	(8)	81	146	43	219	291	112	159
(Gain) loss on extinguishment of financial liability	78	(18)	(366)	784	-	-	(161)	-	-
Gain on disposal of property and equipment	-	-	-	-	-	-	(309)	(2,997)	-
Adjusted EBITDA	**6,589**	**5,500**	**5,018**	**4,246**	**2,401**	**2,955**	**1,642**	**1,540**	**4,720**

Notes:

[i] Cash outflow for the lease liabilities during the three months ended April 30, 2022, were $2,691 and three-months ended January 31, 2023 were $2,715

[ii] Cash outflow for the lease liabilities during the three-months ended October 31, 2022 were $2,599, three-months ended July 31, 2022 were $3,060, three months ended April 30, 2022, were $1,934 and $2,238 for the three months ended January 31, 2022.

[iii] Cash outflow for the lease liabilities during the three-months ended October 31, 2021 were $2,179, three months ended July 31, 2021 were $2,917, three months ended April 30, 2021 were $1,265.

(In thousands of Canadian dollars, except share and per share amounts or otherwise stated)

Free Cash Flow

	Q2 2023	Q1 2023	Q2 2022
Operating Cashflow	1,365	2,114	(2,236)
Sustaining Capex	(625)	(246)	(1,614)
Lease Liabilities	(2,691)	(2,715)	(1,934)
Free Cash Flow [i]	**(1,951)**	**(846)**	**(5,784)**

[i] The Company defines free cash flow as net cash provided by (used in) operating activities, minus sustaining capex, minus lease liability payments. Sustaining Capex is defined as leasehold improvements and maintenance spend required in the existing business. The most directly comparable financial measure is net cash provided by operating activities, as disclosed in the consolidated statement of cash flows. It should not be viewed as a measure of liquidity or a substitute for comparable metrics prepared in accordance with IFRS. The Company has revised how it calculates Free Cash Flow from the previously disclosed definition, to further clarify for investors the subset of Capex that relates to growth versus sustaining Capex, and to better reflect the cash flow generation from ongoing operations of the existing business. The Company believes this new calculation more accurately represents the cash generation activities of the Company from ongoing operations and Free Cash Flow available for growth. It should be noted that these performance measures are not defined under IFRS and may not be comparable to similar measures used by other entities.

Financial Position, Liquidity and Capital Resources

Assets

As of April 30, 2023, the Company had a cash balance of $22,487 (October 31, 2022: $25,084).

Working capital including cash as of April 30, 2023, was a surplus of $5,455 (October 31, 2022: surplus $4,119). Working capital is a non-IFRS measure and is calculated as the difference between total current assets and total current liabilities. The change is mainly due to various acquisitions that have occurred in 2022, as well as the closing of the Bought Deal Offering, connectFirst Credit Facility, and proceeds from the ATM Program. These transactions provide the Company enough liquidity for its working capital needs.

Total assets of the Company were $268,093 on April 30, 2023, compared to $274,743 on October 31, 2022.

Liabilities

Total liabilities decreased to $103,714 as at April 30, 2023, compared to $112,710 as at October 31, 2022, primarily due to an increase in long-term debt, accounts payable and accrued liabilities from expansion of the Business through acquisitions and organic growth.

As of the date of this MD&A the Company's total principal value of debt has remained the same at approximately $38,500 compared to October 31, 2022.

(In thousands of Canadian dollars, except share and per share amounts or otherwise stated)

Summary of Outstanding Share Data

The Company had the following securities issued and outstanding as at April 30, 2023:

Securities (i)	**Units Outstanding (ii)**
Common shares	—
Warrants (iii)	8,743,758
Stock options	2,489,631
RSUs	486,335
Convertible debentures	1,405,119

(i) Refer to the Financial Statements for a detailed description of these securities.
(ii) Units outstanding are post-consolidation of Common Shares on May 14, 2021.
(iii) As of the date of this MD&A the Company had gross Warrants of 46,418,572 that can be converted on the basis of 15 Warrants to 1 Common Share.

Cash Flows

During the quarter ended April 30, 2023, the Company had an overall decrease in cash and cash equivalents of $2,597 (2022: increase $985).

Total cash provided in operating activities was $3,480 for the quarter ended April 30, 2023 (2022: cash used $3,820). The increase in operating cash inflows is primarily driven by the increase in revenue due to the Company's Retail Segment's shift in the retail pricing strategy and launch of our discount club model. Additionally, the increase in revenue was due to the acquisitions of Jimmy's and the building of 10 new stores.

Cash used in investing activities was $2,524 (2022: cash used $4,516) due to the acquisition of Jimmy's and as a result of new store openings. Cash used in financing activities was $3,553 (2022: cash provided $9,321). On Nov 1, 2022 principal payment has been extended after negotiations have been completed. As of the data of this MD&A, the company is working with the "investor" to amend the loan agreement. This is important because in theory Cash Flow should have been down by approximately $450 if the payment would have been made.

Liquidity

On August 15, 2022, the Company entered into the connectFirst Credit Facility with the first tranche, $12,100, available in a single advance, and the second tranche, $6,900, available in multiple draws subject to certain pre-disbursement conditions. The demand loan bears interest at connectFirst's prime lending rate plus 2.50% per annum and matures on September 7, 2027.

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

The second tranche is repayable on demand, but until demand is made the connectFirst Credit Facility is repaid in monthly blended payments of principal and interest of $147. Blended payments may be adjusted from time to time, if necessary, on the basis of connectFirst's prime lending rate, the principal outstanding and amortization period remaining. On October 25, 2022, the Company received the inflow of funds for the second tranche.

Capital Management

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

I. Explore profitable growth opportunities.
II. Deploy capital to provide an appropriate return on investment for shareholders.
III. Maintain financial flexibility to preserve the ability to meet financial obligations; and
IV. Maintain a capital structure that provides financial flexibility to execute on strategic opportunities.

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

Off Balance Sheet Transactions

The Company does not have any financial arrangements that are excluded from the Financial Statements as of April 30, 2023, nor are any such arrangements outstanding as of the date of this MD&A.

Transactions Between Related Parties

As at April 30, 2023, the Company had the following transactions with related parties as defined in IAS 24 – *Related Party Disclosures*, except those pertaining to transactions with key Management personnel in the ordinary course of their employment and/or directorship arrangements and transactions with the Company's shareholders in the form of various financing.

Operational transactions

An office and warehouse unit which is approximately 27,000 square feet has been developed by Grover Properties Inc., a company that is related through a common controlling shareholder and the President and Chief Executive Officer of the Company. The office and warehouse space were leased to High Tide to accommodate the Company's operational expansion and severs as the national distribution facility to service Canna Cabana stores and other third party wholesale accounts. The lease was established by an independent real estate valuations services company at prevailing market rates and has annual lease payments totalling $386 per annum. The primary lease term is 5 years with two additional 5-year term extension exercisable at the option of the Company.

Financing transactions

On July 22, 2022, the Company issued, on a bought deal basis, 4,956,960 Units at a price of $2.32 per Unit. The corporate secretary of the Company participated in the Bought Deal Offering and acquired an aggregate of 130,800 Units pursuant to the Bought Deal Offering.

On August 15, 2022, the Company entered into the connectFirst Credit Facility with the first tranche, $12,100, available in a single advance, and the second tranche, $6,900, available in multiple draws subject to certain pre-disbursement conditions. To facilitate the connectFirst Credit Facility, the President and Chief Executive Officer of the Company provided a limited recourse guarantee against $5,000 worth of Common Shares held by the Chief Executive Officer, and his affiliates, to be pledged in favor of the connectFirst until the earlier of:

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

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

Financial Instruments

The Company's activities expose it to a variety of financial risks. The Company is exposed to credit, liquidity, interest and market risk due to holding certain financial instruments. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by senior Management in conjunction with the Board.

Fair value

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

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities

- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

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

- Marketable securities are determined based on level 1 inputs, as the prices for the marketable securities are quoted in public exchanges.

- Long-term fixed-rate notes receivables and loans payable are initially recorded at fair value and are evaluated by the Company based on level 2 inputs such as discounted future interest and principal payments using current market interest rates of instruments using similar terms. These instruments are subsequently measured through amortized cost, with accretion and interest income recognized through the statement of loss and comprehensive loss.

- Derivative Warrant liabilities are designated as FVTPL and are measured using level 2 inputs. The fair value of the derivative Warrant liabilities is measured each reporting period with changes in the fair value recognized in the consolidated statement of loss and comprehensive loss. Assumptions used to calculate the fair value include stock price, volatility, and risk-free interest rate.

- Derivative liabilities associated with the put options included in the acquisitions of Nuleaf Naturals, FABCBD and Blessed CBD have been recorded at fair value based on level 3 inputs. The value of the put is calculated using discounted cash flows. The valuation model considers the present value of the future obligation using a multiple of forecasted trailing twelve-month EBITDA for both Nuleaf Naturals and FABCBD and forecasted twelve-month revenue for Blessed CBD, and a risk-adjusted discount rate for all the put obligations. Significant unobservable inputs include expected cash flows and the risk adjusted interest rate. The estimated fair value would increase (decrease) if the expected cash flows were higher (lower) or the risk adjusted interest rate were lower (higher). On September 20, 2022, the Company received a notice to exercise put option related to FABCBD.

(In thousands of Canadian dollars, except share and per share amounts or otherwise stated)

- The contingent consideration related to the Smoke Cartel business combination is designated as FVTPL and is measured using level 3 inputs. The fair value of the contingent consideration is measured at each reporting period. The fair value calculation requires inputs such as the forecasted future cash flows of Smoke Cartel. During the fourth quarter of 2021, the Company finalized the revenue targets related to the contingent consideration and measured the fair value based on the finalized revenue targets, recognizing the change in fair value through the statement of loss and comprehensive loss. During the year 2022, the Company settled the contingent consideration obligation by issuing 500,000 shares valued at $940.

- The convertible debentures are evaluated by the Company based on level 2 inputs such as the effective interest rate and the market rates of comparable securities. The convertible debentures are initially measured at amortized cost and at each reporting period accretion incurred in the period is recorded to transaction costs on the consolidated statement of loss and comprehensive loss.

- The Halo Kushbar convertible promissory note receivable is a non-derivative financial asset with fixed or determinable payments that are not quoted in an active market and is recorded at fair value based on level 2 inputs. The fair value of these assets were estimated on discounted future interest and principal payments using current market interest rates of instruments using similar terms. The promissory note failed the SPPI test due to the conversion feature of the note, therefore this note will be subsequently recognized at fair value through profit or loss on the consolidated statement of loss and comprehensive loss. On July 15, 2022, the Company took control of the shares of Halo Kushbar, which owns three operating cannabis retail stores in Alberta. The consideration received was a settlement of this convertible promissory note which was revalued to a principal amount of $810 and $216 was recorded as a loss on revaluation.

As at	April 30, 2023	October 31, 2022
	$	$
FABCBD Put Option derivative liability (i)	695	763
Blessed Put Option derivative liability (ii)	2,072	2,899
NuLeaf Put Option derivative liability (iii)	1,021	2,674
Total	**3,788**	**6,336**

(i) On May 10, 2021, the Company acquired 80% of the outstanding shares of FABCBD. The acquisition agreement also included a call and put option that could result in the Company acquiring the remaining 20% of common shares of FABCBD not acquired upon initial acquisition. The initial obligation under the put option was valued at $3,722. For the three and six months ended April 30, 2023, the Company recognized $123 and $69 (2022: $269 and $494 gain) as a gain on revaluation of derivative liability in the statement of net loss and comprehensive loss, with a closing balance of $695 (2022: $763). On September 20, 2022, the Company received a notice to exercise the put option related to FABCBD, by April 30, 2023, the Company was yet to finalize the settlement, however by May 24, 2023, the Company finalized and issued shares for the put option.

(ii) On October 19, 2021, the Company acquired 80% of the outstanding shares of Blessed CBD. The acquisition agreement also included a call and put option that could result in the Company acquiring the remaining 20% of common shares of Blessed CBD not acquired upon initial acquisition. The initial obligation under the put option was valued at $4,323. For the three and six months ended April 30, 2023, the Company recognized $487 and $828 (2022: $180 and $72 gain) as a gain on revaluation of derivative liability in the statement of net loss and comprehensive loss, with a closing balance of $2,072 (2022: $2,899).

(iii) On November 29, 2021, the Company acquired 80% of the outstanding shares of NuLeaf. The acquisition agreement also included a call and put option that could result in the Company acquiring the remaining 20% of common shares of NuLeaf not acquired upon initial acquisition. The initial obligation under the put option was valued at $8,326. For the three and six months ended April 30, 2023, the Company recognized $678 and $1,652 (2022: $233 and $307 loss) as a gain on revaluation of derivative liability in the statement of net loss and comprehensive loss, with a closing balance of $1,021 (2022: $2,674). On May 29, 2023, the Company received a notice to exercise the put option related to NuLeaf, as at period end, April 30, 2023, the Company is in the process of finalizing the settlement of the put option.

(In thousands of Canadian dollars, except share and per share amounts or otherwise stated)

Credit risk

Credit risk arises when a party to a financial instrument will cause a financial loss for the counter party by failing to fulfill its obligation. Financial instruments that subject the Company to credit risk consist primarily of cash, accounts receivable, marketable securities and loans receivable. The credit risk relating to cash, cash equivalents and restricted marketable securities balances is limited because the counterparties are large commercial banks. The amounts reported for accounts receivable in the statement of consolidated financial position is net of expected credit loss and the net carrying value represents the Company's maximum exposure to credit risk. Accounts receivable credit exposure is minimized by entering into transactions with creditworthy counterparties and monitoring the age and balances outstanding on an ongoing basis. Sales to retail customers are required to be settled in cash or using major credit cards, mitigating credit risk. The following table sets forth details of the aging profile of accounts receivable and the allowance for expected credit loss:

As at	April 30, 2023	October 31, 2022
	$	$
Current (for less than 30 days)	6,832	5,435
31 – 60 days	219	420
61 – 90 days	1,246	568
Greater than 90 days	2,268	2,148
Less allowance	(1,155)	(655)
	9,410	7,916

For the quarter ended April 30, 2023, $120 in trade receivables were written off against the loss allowance due to bad debts (April 2022: $0). Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The remaining accounts receivable are evaluated by the Company based on parameters such as interest rates, specific country risk factors, and individual creditworthiness of the customer. Based on this evaluation, allowances are considered for the estimated losses of these receivables.

The Company performs a regular assessment of collectability of accounts receivables. In determining the expected credit loss amount, the Company considers the customer's financial position, payment history and economic conditions. For the quarter ended April 30, 2023, Management reviewed the estimates and have not created any additional loss allowances on trade receivable.

(In thousands of Canadian dollars, except share and per share amounts or otherwise stated)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company generally relies on funds generated from operations, equity, and debt financing to provide sufficient liquidity to meet budgeted operating requirements and to supply capital to expand its operations.

Historically the Company has been able to sustain their operations and meet liabilities as they come due through cash generated by operating results as well as equity financing where applicable. While no certainty can be obtained around future results, the Company anticipates that cash flows from operations, working capital and other sources of financing will be sufficient to meet its debt repayments and other obligations as they come due.

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

	Contractual cash flows	Less than one year	1-3 years	3-5 years	Greater than 5 years
	$	$	$	$	$
October 31, 2022					
Accounts payable and accrued liabilities	26,887	26,887	-	-	-
Notes payable	12,257	-	-	12,257	-
Interest bearing loans and borrowings	16,393	16,393	-	-	-
Derivative liability	6,336	6,336	-	-	-
Convertible debentures	7,466	2,696	4,770	-	-
Undiscounted lease obligations	37,116	9,683	12,604	7,437	7,392
Total	**106,455**	**61,995**	**17,374**	**19,694**	**7,392**
April 30, 2023					
Accounts payable and accrued liabilities	21,933	21,933	-	-	-
Notes payable	12,473	-	-	12,473	-
Interest bearing loans and borrowings	17,659	17,659	-	-	-
Derivative liability	3,788	3,788	-	-	-
Convertible debentures	8,331	6,349	1,982	-	-
Undiscounted lease obligations	33,826	4,696	13,246	7,835	8,049
Total	**98,010**	**54,425**	**15,228**	**20,308**	**8,049**

Notes:

• Interest bearing loans and borrowings: On August 15, 2022, the Company entered into a $19,000 demand term loan with Connect First credit union (the "Credit Facility") with Tranche 1 - $12,100 available in a single advance, and Tranche 2 - $6,900 available in multiple draws subject to pre-disbursement conditions set. The demand loan bears interest at the Credit Union's prime lending rate plus 2.50% per annum and is set to mature on September 5, 2027. Although the maturity is in 2027, this liability has to be classified as a "Short Term" since the credit facility is repayable on demand.

• Convertible debentures, the principal payments regarding the Convertible debentures are shown as currently agreed to. However, the Company is in active discussions to amend the terms of the debenture which is expected to result in a longer period between principal payments.

• The Company also has access to raise additional cash through the ATM program.

(In thousands of Canadian dollars, except share and per share amounts or otherwise stated)

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 exposure to the risk of changes in the market interest rate related primarily to the Company's current credit facility with variable interest rates.

As at April 30, 2023, approximately 58% of the Company's borrowings are at a fixed rate of interest (2022: 84%). Assuming all other variables remain constant, a fluctuation of +/- 1.0 percent in the interest rate would impact the interest payment by approximately +/- $76.

Foreign currency risk

Foreign currency risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company maintains cash balances and enters into transactions denominated in foreign currencies, which exposes the Company to fluctuating balances and cash flows due to variations in foreign exchange rates.

The Canadian dollar equivalent carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities as at April 30, 2023 were as follows:

(Canadian dollar equivalent amounts of GBP, EUR and USD balances)	**April 30, 2023 (GBP)**	**April 30, 2023 (EUR)**	**April 30, 2023 (USD)**	**April 30, 2023 Total**	October 31, 2022
	$	**$**	**$**	**$**	$
Cash	825	866	2,784	**4,475**	4,391
Accounts receivable	197	504	898	**1,599**	1,754
Accounts payable and accrued liabilities	(70)	(1,999)	(5,209)	**(7,278)**	(11,542)
Net monetary assets	952	(629)	(1,527)	**(1,204)**	(5,397)

Assuming all other variables remain constant, a fluctuation of +/- 5.0 percent in the exchange rate between USD and the Canadian dollar would impact the carrying value of the net monetary assets by approximately +/- $45 (October 31, 2022 - $34). Maintaining constant variables, a fluctuation of +/- 5.0 percent in the exchange rate between the EUR and the Canadian dollar would impact the carrying value of the net monetary assets by approximately +/- $21 (October 31, 2022 - $38), and a fluctuation of +/- 5.0 percent in the exchange rate between GBP and the Canadian dollar would impact the carrying value of the net monetary assets by approximately +/- $35 (October 31, 2022 - $42). To date, the Company has not entered into financial derivative contracts to manage exposure to fluctuations in foreign exchange rates.

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

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

In accordance with the provisions under NI 52-109, and consistent with SEC-related guidance, the Company has limited the scope of the evaluation to exclude controls, policies and procedures over entities acquired by the Company not more than 365 days before the end of financial period. Bud Heaven, Halo Kushbar, Ontario Lottery Winner, Kensington, and Choom acquisitions during the quarter ended April 30, 2023, on a combined basis represented approximately 21% of the Company's total assets and 8% of the Company's total revenues as of and for the quarter ended April 30, 2023.

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

Management assessed the effectiveness of the Company's internal control over financial reporting as of April 30, 2023, based on the criteria set forth in Internal Control – Integrated Framework (2013 Framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on that assessment, Management has concluded that our internal control over financial reporting was not effective as of April 30, 2023, due to material weaknesses in our internal control over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. Management identified the following internal control deficiencies that constitute material weaknesses in the Company's ICFR as of April 30, 2023.

The Company experienced significant and rapid growth during the fiscal quarter ended April 30, 2023, and the fiscal year October 31, 2022 because of our Business plan and business combinations. The Company did not effectively design, implement, and operate effective process-level control activities related to various processes or engage an adequate number of accounting personnel with the appropriate technical training in, and experience with IFRS to allow for a detailed review of significant and non-routine accounting transactions that would identify errors in a timely manner, including business combinations, impairment testing and financing arrangements.

In addition, as previously disclosed in our management's discussion and analysis, the internal control over the accounting for income taxes, including the income tax provision, deferred tax assets and liabilities and related disclosures were not effective for the year ended October 31, 2022 and for the quarter ended April 30, 2023. The Company identified a material weakness in the accounting for income taxes, including the income tax provision, deferred tax liabilities and related disclosures. Specifically, the Company did not design effective internal controls over income taxes which resulted in adjustments to the income tax provision and deferred tax assets and liabilities in the Financial Statements. These deficiencies were due to insufficient knowledge and technical expertise in the income tax function to review with a level of precision that would have identified a material misstatement in the income tax provision, including the allocation of tax between the calculation of deferred tax assets and liabilities and related disclosures. Management believes that the complexity introduced to the Financial Statements because of the acquisitions of the U.S. and U.K. subsidiaries were a contributing factor to the identified deficiencies.

In response to the identification, the Company has taken action to remediate the material weakness. Progress to date includes engagement of a third-party experienced tax accounting resource with the skills, training, and knowledge to assist in the review of more technical a tax matters and to assist in preparing the income tax provision, deferred tax liabilities and related disclosures for each period. Management has made progress in accordance with the remediation plan and the goal is to fully remediate this material weakness in fiscal year 2023. However, the material weakness will not be considered fully remediated until the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively.

Outlook

High Tide is the market leader in Canadian bricks-and-mortar cannabis retail, with 153 locations operating across the country and a loyalty base exceeding 1,040,000 Cabana Club members. Having generated rising positive EBITDA for 13 straight quarters and with national market share outside Quebec approaching 10%, the Company is now working towards its goal of generating positive free cash flow by the end of calendar 2023. The Company expects this to be achieved by increasing same-store sales, continued incremental upward momentum in gross margins in its Canadian bricks-and-mortar business, and strong cost controls. The Company plans to roll out more white-label SKUs of its Cabana Cannabis Co. brand through the course of the year, which should be additive to gross margins. We are pleased with the initial uptake of Cabana ELITE, our premium paid membership offering, with over 13,500 customers having signed up to date. We expect this number to climb steadily in the coming quarters, which should add a recurring high-margin revenue line and further enhance customer loyalty.

High Tide's commitment to operational excellence, including its real estate strategy and its differentiated discount club model, has made it a clear standout in the industry, which has unfortunately seen firms of all sizes struggle. The Company expects that this shakeout will likely continue over the coming 12 months as we pass the pivotal five-year anniversary of cannabis legalization, and many expiring leases are not renewed. The Company currently plans to open more stores in the second half of calendar 2023 than in the first half of the year. However, considering the macro environment, this growth will still be relatively muted compared to its historical pace. Regarding potential future M&A, there is currently a heightened level of opportunities coming to market. While we continue to feel that our share price does not currently reflect the Company's true value, we continue to evaluate every opportunity. That said, we plan to be very selective, as we believe we are very well positioned to engage only on opportunities which are truly the most strategic, attractive and accretive and thus create lasting, meaningful value for shareholders.

Cautionary Note Regarding Forward-Looking Information

Certain statements contained in this MD&A, and in the documents incorporated by reference in this MD&A, constitute "forward-looking information" and "forward-looking statements within the meaning of Applicable Securities Legislation. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current belief or assumptions as to the outcome and timing of such future events. The forward-looking statements herein include, but are not limited to, statements regarding:

- the Business objectives and milestones and the anticipated timing of, and costs in connection with, the execution or achievement of such objectives and milestones (including, without limitation proposed acquisitions);
- the Company's future growth prospects and intentions to pursue one or more viable Business opportunities;
- the development of the Business and future activities following the date of this MD&A;
- expectations relating to market size and anticipated growth in the jurisdictions within which the Company may from time to time operate or contemplate future operations;
- expectations with respect to economic, Business, regulatory and/or competitive factors related to the Company or the cannabis industry generally;

- the market for the Company's current and proposed product offerings, as well as the Company's ability to capture market share;
- the Company's strategic investments and capital expenditures, and related benefits;
- changes in general and administrative expenses;
- future Business operations and activities and the timing thereof;
- the future tax liability of the Company;
- the estimated future contractual obligations of the Company;
- the future liquidity and financial capacity of the Company and its ability to fund its working capital requirements and forecasted capital expenditures;
- the distribution methods expected to be used by the Company to deliver its product offerings;
- same-store sales and consolidated gross margins continuing to increase;
- the competitive landscape within which the Company operates and the Company's market share or reach;
- the performance of Business operations and activities of the Company;
- the number of additional cannabis retail store locations the Company proposes to add to its Business;
- the Company's ability to obtain, maintain, and renew or extend, applicable Authorizations, including the timing and impact of the receipt thereof;
- the realization of cost savings, synergies or benefits from the Company's recent and proposed acquisitions, and the Company's ability to successfully integrate the operations of any business acquired within the Business;
- the Company's intention to devote resources to the protection of its intellectual property rights, including by seeking and obtaining registered protections and developing and implementing standard operating procedures;
- the anticipated sales from continuing operations;
- the intention of the Company to complete the ATM Program and any additional offering of securities of the Company and the aggregate amount of the total proceeds that the Company will receive pursuant to the ATM Program, connectFirst Credit Facility and/or any future offering;
- the Company's expected use of the net proceeds from the ATM Program, connectFirst Credit Facility and/or any future offering, and the anticipated effects on the Business and operations of the Company;
- the listing of Common Shares offered in the ATM Program and/or any future offering;
- the Company deploying Fastendr™ technology across the Company's retail stores upon the timelines disclosed herein, including licensing this technology towards the end of 2023;

- the Company's ability to generate consistent free cash flow from operations and from financing activities, including by amending its loan agreement, on the timelines disclosed herein;
- the Company continuing to increase its revenue;
- the Company continuing to integrate and expand its CBD brands;
- Cabana Club and Cabana ELITE loyalty programs membership continuing to increase;
- the Company hitting its forecasted revenue and sales projections; and
- the Company launching additional Cabana Cannabis Co. and NuLeaf Naturals branded SKUs on the timelines outlined herein.

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

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

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

Cautionary Note Regarding FOFI

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

Importantly, the FOFI contained in this MD&A, and in documents incorporated by reference herein are, or may be, based upon certain additional assumptions that Management believes to be reasonable based on the information currently available to Management, including, but not limited to, assumptions about: (i) the future pricing for the Company's products, (ii) the future market demand and trends within the jurisdictions in which the Company may from time to time conduct the Business, (iii) the Company's ongoing inventory levels, and operating cost estimates, and (iv) the Company's net proceeds from the ATM Program and connectFirst Credit

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

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

Accounting Policies and Critical Accounting Estimates

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements and have been applied consistently by the Company and its subsidiaries.

The significant accounting policies applied in the preparation of the unaudited condensed interim consolidated financial statements for the three months ended January 31, 2023, and 2022 are consistent with those applied and disclosed in Note 3 and 4 of the Company's Consolidated Financial Statements for the years ended October 31, 2022 and 2021.

New and amended standards and interpretations

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

In January 2020 and October 2022, the Board issued amendments to IAS 1 Presentation of Financial Statements to specify the requirements for classifying liabilities as current or non-current, effective for periods beginning on or after January 1, 2024. The amendments clarify:

• What is meant by a right to defer settlement;

• That a right to defer must exist at the end of the reporting period;

• That classification is unaffected by the likelihood that an entity will exercise its deferral right; and

• That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The Board decided that if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period.

The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies regardless of whether the lender tests for compliance at that date or at a later date.

Non-IFRS Financial Measures

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

Risk Assessment

Management defines risk as the evaluation of probability that an event might happen in the future that could negatively affect the financial condition, results of operations and/or reputation of the Company. The following section describes specific and general risks that could affect the Company. The following descriptions of risk do not include all possible risks as there may be other risks of which Management is currently unaware.

Cash Flow from Operations

As at April 30, 2023, the Company's cash and net working capital balances were approximately $22,487 and $5,455. Although the Company anticipates it will have positive cash flow from operating activities in future periods, to the extent that the Company has negative cash flow in any future period, certain of the net proceeds from future offerings may be used to fund such negative cash flow from operating activities. If the Company experiences future negative cash flow, the Company may also be required to raise additional funds through the issuance of equity or debt securities. There can be no assurance that the Company will be able to generate positive cash flow from its operations, that additional capital or other types of financing will be available when needed, or that these financings will be on terms favorable to the Company. In addition, the Company expects to achieve positive cash flow from operating activities in future periods. However, this is based on certain assumptions and subject to significant risks.

Other Risks

Other risks facing our business, and that could cause actual results to differ materially from current expectations may include, but are not limited to, risks and uncertainties that are discussed in greater detail in the "Non-Exhaustive List of Risk Factors" section in Schedule A to our current annual information form, and elsewhere in this MD&A, as such factors may be further updated from time to time in our periodic filings, available at www.sedar.com and www.sec.gov, which risk factors are incorporated herein by reference.

HIGHTIDE

Condensed Interim Consolidated Financial Statements

For the three and six months ended April 30, 2023 and 2022

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

(Unaudited)

Condensed Interim Consolidated Financial Statements for the three and six months ended April 30, 2023 and 2022.

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

Approved on behalf of the Board:

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

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

(Unaudited – In thousands of Canadian dollars)

	Notes	2023	2022
		$	$
Assets			
Current assets			
Cash and cash equivalents		**22,487**	25,084
Marketable securities		**164**	195
Trade and other receivables	11	**9,717**	8,200
Inventory	10	**27,197**	23,414
Prepaid expenses and deposits	9	**2,279**	7,167
Total current assets		**61,844**	64,060
Non-current assets			
Property and equipment	7	**29,522**	31,483
Net investment - lease	25	**179**	203
Right-of-use assets, net	25	**28,430**	30,519
Long term prepaid expenses and deposits	9	**3,551**	2,988
Intangible assets and goodwill	5, 8	**144,567**	145,490
Total non-current assets		**206,249**	210,683
Total assets		**268,093**	274,743
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	13	**21,933**	26,887
Interest bearing loans and borrowings	15	**17,659**	16,393
Current portion of convertible debentures	16	**6,349**	2,696
Current portion of lease liabilities	25	**6,660**	7,629
Derivative liability	12	**3,788**	6,336
Total current liabilities		**56,389**	59,941
Non-current liabilities			
Notes payable	14	**12,473**	12,257
Convertible debentures	16	**1,982**	4,770
Lease liabilities	25	**25,169**	26,139
Deferred tax liability		**7,701**	9,603
Total non-current liabilities		**47,325**	52,769
Total liabilities		**103,714**	112,710
Shareholders' equity			
Share capital	18	**286,750**	279,513
Warrants	20	**13,060**	15,497
Contributed surplus		**28,362**	23,051
Convertible debentures – equity		**717**	717
Accumulated other comprehensive loss		**3,492**	5,665
Accumulated deficit		**(173,437)**	(168,093)
Equity attributable to owners of the Company		**158,944**	156,350
Non-controlling interest	28	**5,435**	5,683
Total shareholders' equity		**164,379**	162,033
Total liabilities and shareholders' equity		**268,093**	274,743

(Unaudited – In thousands of Canadian dollars)

	Notes	Three months ended 2023	2022	Six months ended 2023	2022
		$	$	$	$
Revenue	6	**118,136**	81,031	**236,212**	153,249
Cost of sales		**(86,567)**	(58,337)	**(172,461)**	(107,573)
Gross profit		**31,569**	22,694	**63,751**	45,676
Expenses					
Salaries, wages and benefits		**(13,940)**	(9,592)	**(28,242)**	(19,479)
Share-based compensation	19	**(1,532)**	(2,353)	**(2,968)**	(4,255)
General and administration		**(6,191)**	(5,815)	**(13,688)**	(9,843)
Professional fees		**(2,684)**	(1,932)	**(5,112)**	(4,765)
Advertising and promotion		**(1,048)**	(2,095)	**(2,537)**	(4,498)
Depreciation and amortization	7,8,25	**(7,699)**	(7,627)	**(15,685)**	(14,738)
Impairment loss		**-**	-	**-**	(89)
Interest and bank charges		**(1,117)**	(858)	**(2,082)**	(1,734)
Total expenses		**(34,211)**	(30,272)	**(70,314)**	(59,401)
Loss from operations		**(2,642)**	(7,578)	**(6,563)**	(13,725)
Other income (expenses)					
Loss on extinguishment of financial liability		**(78)**	-	**(60)**	-
Gain on extinguishment of debenture		**-**	133	**-**	115
Gain (loss) on revaluation of marketable securities		**19**	(43)	**27**	(262)
Finance and other costs	17	**(2,194)**	(2,210)	**(4,672)**	(4,670)
Gain on revaluation of derivative liability	12	**1,288**	728	**2,549**	1,253
Foreign exchange gain (loss)		**(2)**	(107)	**13**	(204)
Total other expenses		**(967)**	(1,499)	**(2,143)**	(3,768)
Loss before taxes		**(3,609)**	(9,077)	**(8,706)**	(17,493)
Income tax expense		**1,737**	(1,190)	**1,395**	(126)
Deferred income tax recovery		**304**	1,990	**1,882**	1,990
Net loss		**(1,568)**	(8,277)	**(5,429)**	(15,629)
Other comprehensive loss					
Translation difference on foreign subsidiary		**533**	(2,074)	**(2,173)**	(472)
Total comprehensive loss		**(1,035)**	(10,351)	**(7,602)**	(16,101)
Net (loss) income attributable to:					
Owners of the Company		**(1,544)**	(8,305)	**(5,323)**	(16,250)
Non-controlling interest		**(24)**	28	**(106)**	621
		(1,568)	(8,277)	**(5,429)**	(15,629)
Comprehensive (loss) income attributable to:					
Owners of the Company		**(811)**	(10,519)	**(7,687)**	(16,747)
Non-controlling interest	28	**(224)**	168	**85**	646
		(1,035)	(10,351)	**(7,602)**	(16,101)
Loss per share					
Basic	21	**(0.02)**	(0.14)	**(0.07)**	(0.28)

Condensed Interim Consolidated Statements of Changes in Equity

For the six months ended April 30, 2023 and 2022
(Unaudited – In thousands of Canadian dollars)

	Note	Share capital	Warrants	Contributed surplus	Equity portion of convertible debt	Accumulated other comprehensive income (loss)	Accumulated deficit	Attributable to owners of the Company	NCI	Total
		$	$	$	$	$	$	$	$	$
Opening balance, November 1, 2021		**208,904**	**10,724**	**15,162**	**859**	**(648)**	**(87,792)**	**147,209**	**4,795**	**152,004**
Acquisition - FABCBD	5	313	-	-	-	-	-	313	-	313
Acquisition - NuLeaf	5	35,527	-	-	-	-	(8,326)	27,201	1,726	28,927
Acquisition - Budroom	5	3,738	-	-	-	-	-	3,738	-	3,738
Acquisition - Boreal Cannabis	5	2,203	-	-	-	-	-	2,203	-	2,203
Acquisition - Crossroads Cannabis	5	2,189	-	-	-	-	-	2,189	-	2,189
Acquisition - Choom	5	3,940	-	-	-	-	-	3,940	-	3,940
Issuance of shares through ATM	18	8,807	-	-	-	-	-	8,807	-	8,807
Issued to pay fees in shares	18	100	-	-	-	-	-	100	-	100
Share-based compensation	19	-	-	8,080	-	-	-	8,080	-	8,080
Equity portion of convertible debentures		-	-	-	(142)	-	-	(142)	-	(142)
Exercise options	19	526	-	(217)	-	-	-	309	-	309
Warrants expired	20	-	(273)	273	-	-	-	-	-	-
Warrants exercised	20	4,352	(6)	-	-	-	-	4,346	-	4,346
Share issuance costs	18	(974)	-	-	-	-	-	(974)	-	(974)
Vesting of RSUs	19	247	-	(247)	-	-	-	-	-	-
Issued warrants		-	5,052	-	-	-	-	5,052	-	5,052
Acquisition - Budheaven	5	1,986	-	-	-	-	-	1,986	-	1,986
Shares issued through equity financing	18	6,768	-	-	-	-	-	6,768	-	6,768
Daily High Club Escrow cancellation	19	(53)	-	-	-	-	-	(53)	-	(53)
Smoke Cartel Earnout	18	940	-	-	-	-	-	940	-	940
Partner distributions	28	-	-	-	-	-	-	-	(1,961)	(1,961)
Cumulative translation adjustment		-	-	-	-	6,313	-	6,313	-	6,313
Comprehensive (loss) gain for the period		-	-	-	-	-	(71,975)	(71,975)	1,123	(70,852)
Closing balance, October 31, 2022		**279,513**	**15,497**	**23,051**	**717**	**5,665**	**(168,093)**	**156,350**	**5,683**	**162,033**
Opening balance, November 1, 2022		**279,513**	**15,497**	**23,051**	**717**	**5,665**	**(168,093)**	**156,350**	**5,683**	**162,033**
Issuance of shares through ATM	18	1,894	-	-	-	-	-	1,894	-	1,894
Issued to pay fees in shares	18	278	-	-	-	-	-	278	-	278
Share-based compensation	19	-	-	2,968	-	-	-	2,968	-	2,968
Acquisition - Jimmy's Cannabis	5	4,932	-	-	-	-	-	4,932	-	4,932
Share issuance costs	18	(28)	-	-	-	-	-	(28)	-	(28)
Exercise options	19	161	-	(94)	-	-	-	67	-	67
Warrants expired	20	-	(2,437)	2,437	-	-	-	-	-	-
Partner distributions	28	-	-	-	-	-	-	-	(163)	(163)
Cumulative translation adjustment		-	-	-	-	(2,173)	-	(2,173)	-	(2,173)
Comprehensive loss (gain) for the period		-	-	-	-	-	(5,344)	(5,344)	(85)	(5,429)
Balance, April 30, 2023		**286,750**	**13,060**	**28,362**	**717**	**3,492**	**(173,437)**	**158,944**	**5,435**	**164,379**

(Unaudited – In thousands of Canadian dollars, except share and per share amounts)

	Notes	2023	2022
		$	$
Operating activities			
Net loss		**(5,429)**	(15,629)
Adjustments for items not effecting cash and cash equivalents			
Income tax (expense) recovery		**(1,395)**	126
Deferred income tax recovery		**(1,882)**	(1,990)
Accretion expense	17	**2,227**	2,597
Fee for services and interest paid in shares and warrants	18	**278**	-
Depreciation and amortization	7,8,25	**15,685**	14,738
Revaluation of derivative liability	12	**(2,549)**	(1,253)
Gain on extinguishment of debenture		**-**	(115)
Impairment loss		**-**	89
Foreign exchange (gain) loss		**(13)**	204
Share-based compensation	19	**2,968**	4,255
Loss on extinguishment of financial liability		**60**	-
(Gain) loss on revaluation of marketable securities		**(27)**	262
		9,923	3,284
Changes in non-cash working capital			
Trade and other receivables		**(1,517)**	(5,064)
Inventory		**(4,089)**	(3,397)
Prepaid expenses and deposits		**4,314**	(2,078)
Accounts payable and accrued liabilities		**(5,151)**	3,435
Net cash provided by (used in) operating activities		**3,480**	(3,820)
Investing activities			
Additions of property and equipment	7	**(2,540)**	(4,757)
Additions of intangible assets	8	**(254)**	(265)
Loans receivable		**-**	(175)
Business Combinations, net of cash acquired	5	**270**	681
Net cash (used in) investing activities		**(2,524)**	(4,516)
Financing activities			
Repayment of interest bearing loans and borrowings	15	**(1,337)**	-
Proceeds from interest bearing loans net of issue costs	15	**2,673**	3,460
Interest paid on debentures and loans	17	**(1,347)**	(510)
Lease liability payments	25	**(5,406)**	(4,172)
Share issuance costs	18	**(28)**	(123)
Partner distributions		**(163)**	-
Proceeds from equity financing through ATM	18	**1,894**	8,216
Warrants exercised		**-**	2,141
Options exercised		**161**	309
Net cash provided by (used in) financing activities		**(3,553)**	9,321
Net (decrease) increase in cash		**(2,597)**	985
Cash and cash equivalents, beginning of period		**25,084**	14,014
Cash and cash equivalents, end of period		**22,487**	14,999

1. Nature of Operations

High Tide Inc. (the "Company" or "High Tide") is a retail-focused cannabis company enhanced by the manufacturing and distribution of consumption accessories. The Company's shares are listed on the Nasdaq Capital Market ("Nasdaq") under the symbol "HITI"(listed as of June 2, 2021), the TSX Venture Exchange ("TSXV") under the symbol "HITI", and on the Frankfurt Stock Exchange ("FSE") under the securities identification code 'WKN: A2PBPS' and the ticker symbol "2LYA". The address of the Company's corporate and registered office is # 120 – 4954 Richard Road SW, Calgary, Alberta T3E 6L1.

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

2. Basis of Preparation

A. Statement of compliance

These condensed interim consolidated financial statements ("Financial Statements") have been prepared in accordance with International Accounting Standard ("IAS") 34 Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB"). They are condensed as they do not include all of the information required for full annual financial statements, and they should be read in conjunction with the audited consolidated financial statements of the Company for the year ended October 31, 2022 which are available on SEDAR at www.sedar.com.

These condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on June 14, 2023.

B. Basis of measurement

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

C. Currencies and Foreign Exchange

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

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

(Unaudited – In thousands of Canadian dollars, except share and per share amounts)

D. Basis of Consolidation of Subsidiaries

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

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

3. Accounting Policies

The significant accounting policies applied in the preparation of the unaudited condensed interim consolidated financial statements for the three and six months ended April 30, 2023, and 2022 are consistent with those applied and disclosed in Note 3 and 4 of the Company's Consolidated Financial Statements for the years ended October 31, 2022 and 2021.

For comparative purposes, the Company has reclassified certain items on the comparative condensed interim consolidated statements of loss and comprehensive loss to conform with current period's presentation.

4. Significant accounting judgement, estimates and assumptions

The estimates and assumptions are reviewed on an ongoing basis. Revisions in accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years. Significant judgements, estimates, and assumptions within these condensed interim consolidated financial statements remain the same as those applied to the Consolidated Financial Statements for the year ended October 31, 2022.

(Unaudited – In thousands of Canadian dollars, except share and per share amounts)

5. Business Combinations

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

A. Jimmy's Cannabis Acquisition

Total consideration	**$**
Common shares	4,932
Working Capital Adjustment	352
	5,284
Purchase price allocation	
Cash	622
Inventory	307
Prepaid expenses	11
Property, plant and equipment	111
Right of use asset	129
Intangible assets - business license rights	1,546
Goodwill	3,116
Accounts payable and accrued liabilities	(319)
Lease liabilities	(129)
Income tax payable	(110)
	5,284

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

In accordance with IFRS 3, Business Combinations ("IFRS 3"), the substance of this transaction constituted a business combination. Management gathered the relevant information that existed at the acquisition date to determine the fair value of the net identifiable assets acquired. As such, the initial purchase price was allocated based on the Company's estimated fair value of the identifiable assets acquired on the acquisition date. Management finalized its purchase price allocation for the fair value of identifiable intangible assets, income taxes and the allocation of goodwill. The goodwill is primarily related to the opportunities to grow the business, expanded access to capital and greater financial flexibility. Goodwill is not deductible for tax purposes. For the period ended April 30, 2023, Jimmy accounted for $1,444 in revenues and $176 in net loss. If the acquisition had been completed on November 1, 2022, the Company estimates it would have recorded an increase of $862 in revenues and a decrease of $99 in net loss for the period ended April 30, 2023.

(Unaudited – In thousands of Canadian dollars, except share and per share amounts)

B. Choom Acquisition (Prior year)

Total consideration	**$**
Cash	100
Common Shares	3,940
	4,040
Purchase price allocation	
Inventory	190
Property and equipment	962
Right-of-use assets	2,520
Goodwill	2,861
Intangible Asset - Business Licenses Rights	27
Lease liabilities	(2,520)
	4,040

On August 2, 2022, the Company closed the acquisition of assets of Choom stores located in Alberta and British Columbia. On August 25, 2022, the Company closed the acquisition of assets of a Choom store located in Ontario. The consideration was comprised of 2,147,023 common shares of the Company having an aggregate value of $3,940 and $100 cash.

In accordance with IFRS 3, Business Combinations ("IFRS 3"), the substance of this transaction constituted a business combination. Management gathered the relevant information that existed at the acquisition date to determine the fair value of the net identifiable assets acquired. As such, the initial purchase price was provisionally allocated based on the Company's estimated fair value of the identifiable assets acquired on the acquisition date. Management finalized its purchase price allocation for the fair value of identifiable intangible assets and the allocation of goodwill. The goodwill is primarily related to the opportunities to grow the business, expanded access to capital and greater financial flexibility. For the year ended October 31, 2022, Choom accounted for $2,443 in revenues and $132 in net loss. If the acquisition had been completed on November 1, 2021, the Company estimates it would have recorded an increase of $5,429 in revenues and a decrease of $659 in net loss for the year ended October 31, 2022. The Company also incurred $40 in transaction costs for the year ended October 31, 2022, which have been expensed to finance and other costs during the period.

(Unaudited – In thousands of Canadian dollars, except share and per share amounts)

C. Halo Kushbar Acquisition (Prior year)

Total consideration	**$**
Note Receivable - Settled	810
Working Capital Adjustment	109
	919
Purchase price allocation	
Cash	160
Trade and other receivables	37
Inventory	205
Prepaid Expenses	14
Property and equipment	530
Right-of-use assets	718
Accounts payable and accrued liabilities	(27)
Lease liabilities	(718)
	919

On July 15, 2022, The Company took control of the shares of Halo Kushbar Retail Inc ("Halo Kushbar"), which owns three operating cannabis retail stores in Alberta. The consideration received was the settlement of a convertible promissory note that was revalued to a principal amount of $810 (the "Note") and working capital adjustment of $109.

In accordance with IFRS 3, Business Combinations ("IFRS 3"), the substance of this transaction constituted a business combination. Management is in the process of gathering the relevant information that existed at the acquisition date to determine the fair value of the net identifiable assets acquired. As such, the initial purchase price was provisionally allocated based on the Company's estimated fair value of the identifiable assets acquired on the acquisition date. Management finalized its purchase price allocation. For the year ended October 31, 2022, Halo Kushbar accounted for $1,164 in revenues and $42 in net income. If the acquisition had been completed on November 1, 2021, the Company estimates it would have recorded an increase of $2,213 in revenues and an increase of $10 in net loss for the year ended October 31, 2022. The Company also incurred $16 in transaction costs for the year ended October 31, 2022, which have been expensed to finance and other costs during the period.

(Unaudited – In thousands of Canadian dollars, except share and per share amounts)

D. Kensington Acquisition (Prior year)

Total consideration	**$**
Cash	160
Loan Receivable - Settlement	523
	683
Purchase price allocation	
Cash	3
Inventory	21
Property and equipment	185
Goodwill	474
	683

On June 4, 2022, the Company purchased a retail cannabis store location in Alberta (previously a franchisee). The consideration was comprised of $160 in cash and settlement of a $523 Notes Receivable.

In accordance with IFRS 3, Business Combinations ("IFRS 3"), the substance of this transaction constituted a business combination. Management is in the process of gathering the relevant information that existed at the acquisition date to determine the fair value of the net identifiable assets acquired. As such, the initial purchase price was provisionally allocated based on the Company's estimated fair value of the identifiable assets acquired on the acquisition date. Management finalized its purchase price allocation. The goodwill is primarily related to the opportunities to grow the business, expanded access to capital and greater financial flexibility. For the year ended October 31, 2022, Kensington accounted for $436 in revenues and $23 in net loss. If the acquisition had been completed on November 1, 2021, the Company estimates it would have recorded an increase of $447 in revenues and an increase of $156 in net loss for the year ended October 31, 2022. The Company also incurred $7 in transaction costs for the year ended October 31, 2022, which have been expensed to finance and other costs during the period.

(Unaudited – In thousands of Canadian dollars, except share and per share amounts)

E. Bud Heaven Acquisition (Prior year)

Total consideration	**$**
Cash True-up Payable	992
Common Shares	1,986
	2,978
Purchase price allocation	
Cash	41
Inventory	102
Trade and other receivables	13
Prepaid Expenses	37
Property and equipment	240
Right-of-use-assets	250
Goodwill	2,657
Accounts payable and accrued liabilities	(112)
Lease Liabilities	(250)
	2,978

On June 1, 2022, the Company acquired all the issued and outstanding shares of Livonit Foods Inc. operating as Bud Heaven ("Bud Heaven") which operates two retail cannabis stores in Ontario. The consideration was comprised of 564,092 Common Shares, having an aggregate value of $1,986 and cash of $992.

In accordance with IFRS 3, Business Combinations ("IFRS 3"), the substance of this transaction constituted a business combination. Management gathered the relevant information that existed at the acquisition date to determine the fair value of the net identifiable assets acquired and liabilities assumed. As such, the initial purchase price was allocated based on the Company's estimated fair value of the identifiable assets acquired on the acquisition date. Management finalized its purchase price allocation. The goodwill is primarily related to the opportunities to grow the business, expanded access to capital and greater financial flexibility. For the year ended October 31, 2022, Bud Heaven accounted for $1,977 in revenues and $258 in net income If the acquisition had been completed on November 1, 2021, the Company estimates it would have recorded an increase of $2,170 in revenues and a decrease of $419 in net loss for the year ended October 31, 2022. The Company also incurred $9 in transaction costs for the year ended October 31, 2022, which have been expensed to finance and other costs during the period.

(Unaudited – In thousands of Canadian dollars, except share and per share amounts)

F. Ontario Lottery Winner Acquisition (Prior year)

Total consideration	**$**
Cash	176
Loan Receivable - Settlement	3,463
	3,639
Purchase price allocation	
Cash and cash equivalents	12
Inventory	426
Prepaid Expenses	2
Property and equipment	512
Goodwill	2,687
	3,639

On May 10, 2022, the Company closed the acquisition of two Ontario Lottery Winner retail cannabis locations. On August 2, 2022, the Company completed its asset acquisition of the third store of the Ontario Lottery Winner retail cannabis location. Pursuant to the terms of the Arrangement, the consideration was comprised of $176 in cash and settlement of a $3,463 Notes Receivable.

In accordance with IFRS 3, Business Combinations (“IFRS 3”), the substance of this transaction constituted a business combination. Management gathered the relevant information that existed at the acquisition date to determine the fair value of the net identifiable assets acquired and liabilities assumed. As such, the initial purchase price was allocated based on the Company’s estimated fair value of the identifiable assets acquired on the acquisition date. Management finalized its purchase price allocation. The goodwill is primarily related to the opportunities to grow the business, expanded access to capital and greater financial flexibility. For the year ended October 31, 2022, Ontario Lottery Winner accounted for $4,254 in revenues and $55 in net income. If the acquisition had been completed on November 1, 2021, the Company estimates it would have recorded an increase of $6,427 in revenues and an increase of $152 in net loss for the year ended October 31, 2022. The Company also incurred $62 in transaction costs for the year ended October 31, 2022, which have been expensed to finance and other costs during the period.

(Unaudited – In thousands of Canadian dollars, except share and per share amounts)

G. Crossroads Cannabis Acquisition (Prior year)

Total consideration	**$**
Common shares	2,189
	2,189
Purchase price allocation	
Cash	3
Inventory	284
Property and equipment	606
Right of use assets	751
Goodwill	1,296
Lease liabilities	(751)
	2,189

On April 26, 2022, the Company closed the acquisition of three retail cannabis stores in Ontario operating as Crossroads Cannabis ("Crossroads"). Pursuant to the terms of the Arrangement, the consideration was comprised of 378,079 common shares of High Tide, having an aggregate value of $1,777. On May 17, the Company closed the acquisition of an additional retail cannabis store operating as Crossroads Cannabis, the consideration was comprised of 138,656 common shares of High Tide having an aggregate value of $412.

In accordance with IFRS 3, Business Combinations ("IFRS 3"), the substance of this transaction constituted a business combination. Management gathered the relevant information that existed at the acquisition date to determine the fair value of the net identifiable assets acquired and liabilities assumed. As such, the initial purchase price was allocated based on the Company's estimated fair value of the identifiable assets acquired on the acquisition date. Management finalized its purchase price allocation. The goodwill is primarily related to the opportunities to grow the business, expanded access to capital and greater financial flexibility. For the year ended October 31, 2022, Crossroads accounted for $3,505 in revenues and $87 in net income. If the acquisition had been completed on November 1, 2021, the Company estimates it would have recorded an increase of $3,076 in revenues and a decrease of $132 in net loss for the year ended October 31, 2022. The Company also incurred $44 in transaction costs for the year ended October 31, 2022, which have been expensed to finance and other costs during the period.

(Unaudited – In thousands of Canadian dollars, except share and per share amounts)

H. 2080791 Alberta Ltd. Acquisition (Prior year)

Total consideration	**$**
Cash	200
Common shares	2,203
Working Capital Adjustment	35
	2,438
Purchase price allocation	
Cash	250
Inventory	182
Prepaid expenses	8
Property and equipment	161
Right of use asset	160
Goodwill	1,865
Accounts payable and accrued liabilities	(28)
Lease liability	(160)
	2,438

On April 21, 2022, the Company closed the acquisition of 100% of the outstanding common shares of 2080791 Alberta Ltd. Operating as Boreal Cannabis Company ("Boreal") which operates two retail cannabis stores in Alberta. Pursuant to the terms of the Arrangement, the consideration was comprised of (i) $200 in cash (ii) 443,301 common shares of Hightide, having an aggregate value of $2,203 and (iii) working capital adjustments of $35.

In accordance with IFRS 3, Business Combinations ("IFRS 3"), the substance of this transaction constituted a business combination. Management gathered the relevant information that existed at the acquisition date to determine the fair value of the net identifiable assets acquired. As such, the initial purchase price was allocated based on the Company's estimated fair value of the identifiable assets acquired on the acquisition date. Management finalized its purchase price allocation for the fair value of identifiable intangible assets and the allocation of goodwill. The goodwill is primarily related to the opportunities to grow the business, expanded access to capital and greater financial flexibility. Goodwill is not deductible for tax purposes. For the year ended October 31, 2022, Boreal accounted for $1,873 in revenues and $162 in net income. If the acquisition had been completed on November 1, 2021, the Company estimates it would have recorded an increase of $1,861 in revenues and a decrease of $132 in net loss for the year ended October 31, 2022. The Company also incurred $9 in transaction costs for the year ended October 31, 2022, which have been expensed to finance and other costs during the period.

(Unaudited – In thousands of Canadian dollars, except share and per share amounts)

I. Bud Room Inc. Acquisition (Prior year)

Total consideration	**$**
Common shares	3,738
Working Capital Adjustment	12
	3,750
Purchase price allocation	
Cash	63
Inventory	40
Prepaid expenses	31
Property and equipment	120
Right of use asset	200
Goodwill	3,707
Lease liability	(365)
Accounts payable and accrued liabilities	(46)
	3,750

On February 9, 2022, the Company closed the acquisition of 100% of the outstanding common shares of Bud Room Inc. ("Bud Room"). Pursuant to the terms of the Arrangement, the consideration was comprised of 674,650 common shares of High Tide, having an aggregate value of $3,738 and working capital adjustment of $12, and acquired all rights to the customized Fastendr™ retail kiosk and smart locker technology and Bud Room's retail cannabis store located at 1910 St. Laurent Blvd in Ottawa, Ontario.

In accordance with IFRS 3, Business Combinations ("IFRS 3"), the substance of this transaction constituted a business combination. Management gathered the relevant information that existed at the acquisition date to determine the fair value of the net identifiable assets acquired and liabilities assumed. As such, the initial purchase was allocated based on the Company's estimated fair value of the identifiable assets acquired on the acquisition date. Management finalized its purchase price allocation. The goodwill is primarily related to the opportunities to grow the business, expanded access to capital and greater financial flexibility. For the year ended October 31, 2022, Bud Room accounted for $2,305 in revenues and $186 in net income. If the acquisition had been completed on November 1, 2021, the Company estimates it would have recorded an increase of $611 in revenues and a decrease of $23 in net loss for the year ended October 31, 2022. The Company also incurred $30 in transaction costs for the year ended October 31, 2022, which have been expensed to finance and other costs during the period.

(Unaudited – In thousands of Canadian dollars, except share and per share amounts)

J. NuLeaf Naturals, LLC Acquisition (Prior year)

Total consideration	**$**
Common shares	35,527
	35,527
Purchase price allocation	
Cash	564
Accounts receivable	216
Other receivables	21
Inventory	2,058
Prepaid expenses	305
Property, plant and equipment	4,190
Right of use asset	3,144
Intangible assets - software	211
Intangible assets - brand	10,168
Goodwill	28,622
Accounts payable and accrued liabilities	(6,140)
Lease liabilities	(2,984)
Deferred tax liability	(3,122)
Non-controlling interest	(1,726)
	35,527

On November 29, 2021, the Company closed the acquisition of 80% of the outstanding common shares of NuLeaf Naturals LLC. ("NuLeaf"). Pursuant to the terms of the Arrangement, the consideration was comprised of 4,429,809 common shares of High Tide, having an aggregate value of $35,527.

The acquisition agreement also includes a call and put option that could result in the Company acquiring the remaining 20% of common shares in NuLeaf not acquired upon initial acquisition. The Company analyzed the value in the call option and considers it to be at fair value, and therefore has no value related to the acquisition. As the put option is a contractual obligation, it gives rise to a financial liability calculated with reference to the agreement and is discounted to its present value at each reporting date using the discounted cash-flow model. The initial obligation under the put option was recorded as a liability with the offset recorded as equity at its fair value at acquisition of $8,326 with an exercise date of May 29, 2023. For the year ended October 31, 2022, the Company recognized $5,652 as a gain on revaluation of derivative liability in the statement of net loss and comprehensive loss. For the three and six months ended April 30, 2023, the Company recognized $687 and $1,652 (2022: $233 and $307 loss) as a gain on revaluation of derivative liability in the statement of net loss and comprehensive loss.

In accordance with IFRS 3, Business Combinations ("IFRS 3"), the substance of this transaction constituted a business combination. Management gathered the relevant information that existed at the acquisition date to determine the fair value of the net identifiable assets acquired and liabilities assumed. As such, the initial purchase price was allocated based on the Company's estimated fair value of the identifiable assets acquired on the acquisition date. Management finalized its purchase price allocation. The goodwill is primarily related to the opportunities to grow the business, expanded access to capital and greater financial flexibility. For the year ended October 31, 2022, NuLeaf accounted for $15,657 in revenues and $518 in net income. If the acquisition had been completed on November 1, 2021, the Company estimates it would have recorded an increase of $1,474 in revenues and a decrease of $797 in net loss for the year ended October 31, 2022. The Company also incurred $89 in transaction costs for the year ended October 31, 2022, which have been expensed to finance and other costs during the period.

(Unaudited – In thousands of Canadian dollars, except share and per share amounts)

6. Revenue from Contracts with Customers

For the three months ended April 30	2023 Retail	2022 Retail	2023 Wholesale	2022 Wholesale	2023 Corporate	2022 Corporate	2023 Total	2022 Total
	$	$	$	$	$	$	$	$
Primary geographical markets (i)								
Canada	**103,380**	62,891	**47**	552	**179**	13	**103,606**	63,456
USA	**13,280**	15,516	**381**	421	**-**	-	**13,661**	15,937
International	**869**	1,638	**-**	-	**-**	-	**869**	1,638
Total revenue	**117,529**	80,045	**428**	973	**179**	13	**118,136**	81,031
Major products and services								
Cannabis	**100,172**	64,241	**-**	-	**-**	-	**100,172**	64,241
Consumption accessories	**10,881**	9,990	**411**	966	**-**	-	**11,292**	10,956
Data analytics services	**6,366**	5,124	**-**	-	**-**	-	**6,366**	5,124
Other revenue	**110**	690	**17**	7	**179**	13	**306**	710
Total revenue	**117,529**	80,045	**428**	973	**179**	13	**118,136**	81,031
Timing of revenue recognition								
Transferred at a point in time	**117,529**	80,045	**428**	973	**179**	13	**118,136**	81,031
Total revenue	**117,529**	80,045	**428**	973	**179**	13	**118,136**	81,031

For the six months ended April 30	2023 Retail	2022 Retail	2023 Wholesale	2022 Wholesale	2023 Corporate	2022 Corporate	2023 Total	2022 Total
	$	$	$	$	$	$	$	$
Primary geographical markets (i)								
Canada	**202,992**	114,569	**197**	1,277	**179**	52	**203,368**	115,898
USA	**29,353**	32,472	**1,381**	909	**-**	-	**30,734**	33,381
International	**2,110**	3,970	**-**	-	**-**	-	**2,110**	3,970
Total revenue	**234,455**	151,011	**1,578**	2,186	**179**	52	**236,212**	153,249
Major products and services								
Cannabis	**197,714**	118,440	**-**	-	**-**	-	**197,714**	118,440
Consumption accessories	**23,578**	21,564	**1,543**	2,171	**-**	-	**25,121**	23,735
Data analytics services	**12,953**	9,800	**-**	-	**-**	-	**12,953**	9,800
Other revenue	**210**	1,207	**35**	15	**179**	52	**424**	1,274
Total revenue	**234,455**	151,011	**1,578**	2,186	**179**	52	**236,212**	153,249
	-	-	**-**	-	**-**	-	**-**	-
Timing of revenue recognition	-	-	-	-	-	-	-	-
Transferred at a point in time	**234,455**	151,011	**1,578**	2,186	**179**	52	**236,212**	153,249
Total revenue	**234,455**	151,011	**1,578**	2,186	**179**	52	**236,212**	153,249

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

(Unaudited – In thousands of Canadian dollars, except share and per share amounts)

7. Property and Equipment

	Office equipment and computers	Production equipment	Leasehold improvements	Vehicles	Buildings	Total
Cost	$	$	$	$	$	$
Opening balance, November 1, 2021	3,100	-	27,224	16	2,800	33,140
Additions	541	34	7,163	21	-	7,759
Additions from business combinations	854	2,692	3,960	-	-	7,506
Foreign currency translation	19	189	4	-	-	212
Balance, October 31, 2022	**4,514**	**2,915**	**38,351**	**37**	**2,800**	**48,617**
Additions and reclasses	147	-	2,977	-	-	3,124
Additions from business combinations	-	-	111	-	-	111
Foreign currency translation	(213)	863	(180)	1	-	471
Balance, April 30, 2023	**4,448**	**3,778**	**41,259**	**38**	**2,800**	**52,323**
Accumulated depreciation						
Opening balance, November 1, 2021	1,206	-	7,113	9	56	8,384
Depreciation	925	486	7,117	5	217	8,750
Balance, October 31, 2022	**2,131**	**486**	**14,230**	**14**	**273**	**17,134**
Depreciation	234	265	3,869	3	108	4,479
Foreign currency translation	185	646	357	-	-	1,188
Balance, April 30, 2023	**2,550**	**1,397**	**18,456**	**17**	**381**	**22,801**
Balance, October 31, 2022	2,383	2,429	24,121	23	2,527	31,483
Balance, April 30, 2023	**1,898**	**2,381**	**22,803**	**21**	**2,419**	**29,522**

(i) As at April 30, 2023, the Company had a balance of $108 (2022: $1,627) in assets under construction, largely related to cannabis retail locations not yet in operation.

(Unaudited – In thousands of Canadian dollars, except share and per share amounts)

8. Intangible Assets and Goodwill

	Software	Licenses	Brand Name	Goodwill	Total
Cost	$	$	$	$	$
Opening balance, November 1, 2021	9,463	44,762	21,075	79,946	155,246
Additions and reclasses	905	-	308	83	1,296
Additions from business combinations	338	20	10,047	43,967	54,372
Impairment loss	(89)	-	(1,365)	(45,077)	(46,531)
Foreign currency translation	42	-	2,508	4,500	7,050
Balance, October 31, 2022	**10,659**	**44,782**	**32,573**	**83,419**	**171,433**
Additions and reclasses	308	-	-	-	308
Additions from business combinations (Note 5)		1,546	-	3,116	4,662
Foreign currency translation	109	-	192	554	855
Balance, April 30, 2023	**11,076**	**46,328**	**32,765**	**87,089**	**177,258**
Accumulated depreciation					
Opening balance, November 1, 2021	1,776	11,189	-	-	12,965
Amortization	2,412	10,672	-	-	13,084
Foreign currency translation	(106)	-	-	-	(106)
Balance, October 31, 2022	**4,082**	**21,861**	**-**	**-**	**25,943**
Amortization	1,152	5,597	-	-	6,749
Foreign currency translation	(1)	-	-	-	(1)
Balance, April 30, 2023	**5,233**	**27,458**	**-**	**-**	**32,691**
Balance, October 31, 2022	6,577	22,921	32,573	83,419	145,490
Balance, April 30, 2023	**5,843**	**18,870**	**32,765**	**87,089**	**144,567**

(Unaudited – In thousands of Canadian dollars, except share and per share amounts)

9. Prepaid expenses and deposits

	April 30, 2023	October 31, 2022
	$	$
Deposits on cannabis retail outlets	1,496	1,417
Prepaid insurance and other	3,906	5,160
Prepayment on inventory	428	3,578
Total	**5,830**	**10,155**
Less current portion	(2,279)	(7,167)
Long-term	3,551	2,988

10. Inventory

As at	April 30, 2023	October 31, 2022
	$	$
Finished goods	26,951	23,393
Work-in-process	10	56
Raw-materials	763	492
Provision for obsolescence	(527)	(527)
Total	**27,197**	**23,414**

11. Trade and other receivables

As at	April 30, 2023	October 31, 2022
	$	$
Trade accounts receivable	9,410	7,916
Sales tax receivable	307	284
Total	**9,717**	**8,200**

(Unaudited – In thousands of Canadian dollars, except share and per share amounts)

12. Derivative Liability

As at	April 30, 2023	October 31, 2022
	$	$
FABCBD Put Option derivative liability (i)	695	763
Blessed Put Option derivative liability (ii)	2,072	2,899
NuLeaf Put Option derivative liability (iii)	1,021	2,674
Total	**3,788**	**6,336**

(i) On May 10, 2021, the Company acquired 80% of the outstanding shares of FABCBD. The acquisition agreement also included a call and put option that could result in the Company acquiring the remaining 20% of common shares of FABCBD not acquired upon initial acquisition. The initial obligation under the put option was valued at $3,722. For the three and six months ended April 30, 2023, the Company recognized $123 and $69 (2022: $269 and $494 gain) as a gain on revaluation of derivative liability in the statement of net loss and comprehensive loss, with a closing balance of $695 (2022: $763). On September 20, 2022, the Company received a notice to exercise the put option related to FABCBD, by April 30, 2023, the Company was yet to finalize the settlement, however by May 24, 2023, the Company finalized and issued shares for the put option.

(ii) On October 19, 2021, the Company acquired 80% of the outstanding shares of Blessed CBD. The acquisition agreement also included a call and put option that could result in the Company acquiring the remaining 20% of common shares of Blessed CBD not acquired upon initial acquisition. The initial obligation under the put option was valued at $4,323. For the three and six months ended April 30, 2023, the Company recognized $487 and $828 (2022: $180 and $72 gain) as a gain on revaluation of derivative liability in the statement of net loss and comprehensive loss, with a closing balance of $2,072 (2022: $2,899).

(iii) On November 29, 2021, the Company acquired 80% of the outstanding shares of NuLeaf. The acquisition agreement also included a call and put option that could result in the Company acquiring the remaining 20% of common shares of NuLeaf not acquired upon initial acquisition. The initial obligation under the put option was valued at $8,326. For the three and six months ended April 30, 2023, the Company recognized $678 and $1,652 (2022: $233 and $307 loss) as a gain on revaluation of derivative liability in the statement of net loss and comprehensive loss, with a closing balance of $1,021 (2022: $2,674). On May 29, 2023, the Company received a notice to exercise the put option related to NuLeaf, as at period end, April 30, 2023, the Company is in the process of finalizing the settlement of the put option.

(Unaudited – In thousands of Canadian dollars, except share and per share amounts)

13. Accounts Payable and Accrued Liabilities

As at	April 30, 2023	October 31, 2022
	$	$
Accounts Payable	6,182	7,670
Accrued liabilities	5,642	7,021
Deferred Revenue	724	641
Income tax payable	1,620	3,212
Sales Tax Payable	7,765	8,343
Total	**21,933**	**26,887**

On May 30, 2023, the Company received the notice of the amended Bill 10 of Manitoba which states that a person who operates a cannabis store is not required to pay to the government a social responsibility fee, as such the Company would no longer be required to pay the balance which is currently recognized as part of the accounts payable.

14. Notes Payable

As at	April 30, 2023	October 31, 2022
	$	$
Dreamweavers (i)	77	57
Government loan (ii)(iii)	188	188
Notes payable (iv)	12,208	12,012
Total	**12,473**	**12,257**
Less current portion	-	-
Long-term	12,473	12,257

(i) On May 23, 2019, the Company acquired all of the issued and outstanding shares of Dreamweavers for aggregate consideration of $3,094 which included 3,100,000 common shares with a fair value of $1,147, and 1,550,000 (pre-consolidation) purchase warrants exercisable at $0.75 per common share of High Tide and notes payables of $300 repayable over five years with zero interest rate due at each anniversary date. Notes payable was valued at $102 by discounting it over five years at market interest rate of 22%. During the period ended April 30, 2023, the Company incurred accretion of $20 (2022 - $20).

(ii) During the second quarter of 2021, the Company obtained a government loan under the Canada Emergency Response Benefit, part of Canada's COVID-19 economic response plan. The government loan bears no interest and has a maturity date of December 31, 2025.

(iii) On August 12, 2021, the Company acquired all of the issued and outstanding shares of DankStop which included a loan from the U.S. Small Business Administration under the Secured Disaster Loans for Covid-19 relief. The loan bears an interest rate of 3.75% per annum and has a maturity date of May 21, 2050. During the period ended April 30, 2023, the Company incurred accretion of $6 (2022 - $6).

(iv) On November 18, 2020, the Company acquired all of the issued and outstanding shares of Meta which included notes payable to Opaskwayak Cree Nation ("OCN"). Notes payable were valued at $12,783 at the date of acquisition by discounting it over two years at market interest rate of 15%. On January 6, 2021, the Company entered into another amended loan agreement with OCN to remove the annual administration fee and extend the maturity date of the loan until December 31, 2024. During the period ended April 30, 2023, the Company incurred accretion of $196 (2022 - $157). During the six months ended, April 30, 2023, the Company incurred interest in the amount of $649 (2022: $630) in relation to the outstanding loan.

(Unaudited – In thousands of Canadian dollars, except share and per share amounts)

15. Interest bearing loans and borrowings

As at	April 30, 2023	October 31, 2022
	$	$
ConnectFirst loan	17,659	16,393
Total	**17,659**	**16,393**

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

Tranche 1, is repayable on demand, but until demand is made this Credit Facility shall be repaid in monthly blended payments of principal and interest of $241. Blended payments may be adjusted from time to time, if necessary, on the basis of the Credit Union's Prime Lending Rate and the principal outstanding. The Company received the inflow on October 7, 2022. The balance at the end of the period is $11,145.

Tranche 2, is repayable on demand, but until demand is made this Credit Facility shall be repaid in monthly blended payments of principal and interest of $147. Blended payments may be adjusted from time to time, if necessary, on the basis of Prime, the principal outstanding and the amortization period remaining, the Company received the inflow on October 25, 2022. The Company received the remaining $2,673 on March 8, 2023. The balance at the end of the period is $6,514.

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

During the six months ended, April 30, 2023, the Company incurred interest in the amount of $687 (2022: nil) and paid $1,337 (2022: nil) as principal in relation to the outstanding interest bearing loans and borrowings.

Covenants attached to the loan:

As of April 30, 2023, the Company has met all the covenants attached to the loan.

(Unaudited – In thousands of Canadian dollars, except share and per share amounts)

16. Convertible Debentures

As at	April 30, 2023	October 31, 2022
	$	$
Convertible debentures, beginning of period	7,466	8,163
Loss on extinguishment and modifications	-	354
Conversion of debenture into equity	-	108
Repayment of debt	-	(2,794)
Accretion on convertible debentures	865	1,635
Total	**8,331**	**7,466**
Less current portion	(6,349)	(2,696)
Long-term	1,982	4,770

As at April 30, 2023, the Company is in active discussions to amend the terms of the debenture which is expected to result in a longer period of time between principal payments.

17. Finance and other costs

	Three months ended April 30		Six months ended April 30	
	2023	2022	2023	2022
	$	$	$	$
Accretion on convertible debt	444	397	865	816
Accretion on notes payable	94	423	205	528
Interest on notes payable and interest bearing loans and borrowings	663	124	1,347	510
Accretion of lease liability	558	597	1,157	1,253
Transaction costs	435	669	1,098	1,563
Total	**2,194**	**2,210**	**4,672**	**4,670**

(Unaudited – In thousands of Canadian dollars, except share and per share amounts)

18. Share Capital

(a) Issued:

Common shares:

	Number of shares	Amount
	#	$
Balance, November 1, 2021	**54,360,028**	**208,904**
Acquisition - FABCBD	-	313
Acquisition - NuLeaf (Note 5)	4,429,809	35,527
Issuance of shares through ATM (i)	1,758,167	8,807
Share issuance costs	-	(974)
Exercise options (Note 19)	70,500	526
Exercise warrants (Note 20)	530,423	4,352
Vested restricted share units (Note 19)	82,976	247
Acquisition - Budroom (Note 5)	674,650	3,738
Acquisition - Boreal Cannabis (Note 5)	443,301	2,203
Acquisition - Crossroads Cannabis (Note 5)	516,735	2,189
Acquisition - Choom (Note 5)	2,147,023	3,940
Issued to pay fees via shares	15,122	100
Shares issued through equity financing (ii)	4,956,960	6,768
Acquisition - Budheaven (Note 5)	564,092	1,986
Daily High Club Escrow cancellation	(28,553)	(53)
Smoke Cartel Earnout (iii)	500,000	940
Balance, October 31, 2022	**71,021,233**	**279,513**
Issuance of shares through ATM (i)	843,537	1,894
Acquisition - Jimmy's (Note 5)	2,595,533	4,932
Share issuance costs	-	(28)
Exercise options	66,667	161
Issued to pay fees in shares	136,266	278
Balance, April 30, 2023	**74,663,236**	**286,750**

(i) On December 6, 2021 the Company announced that it established an at-the-market equity offering (“the ATM Program”) that allows the Company to issue up to $40,000 (or the equivalent in U.S. dollars) of common shares from treasury to the public from time to time at the Company’s discretion and subject to regulatory requirements. During the year ended October 31, 2022, a total of $8,807 has been raised through the program. During the period ended April 30, 2023 a total of $1,894 have been raise through the ATM program, with most of this amount raised between December 2022 and January 2023. We have not issued any shares under the ATM since the end of the quarter.

(ii) On July 22, 2022, the Company issued, on a bought-deal basis, 4,956,960 units at a price of $2.32 per unit. The Company closed the offering for total gross proceeds of $11,500. Each unit consists of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder to acquire one common share at a price of $2.73 for a period of 60 months from the closing date of the offering. The shares were attributed a relative fair value of $6,768 and warrants were attributed a relative fair value of $4,732 using the Black-Scholes option pricing model with the following assumptions: fair value of common shares of $2.05; exercise price of options of $2.73; expected life of 5 years; 97% volatility; and a risk-free interest rate of 2.9%. The underwriters received a cash commission fee of 6% of gross proceeds and 3% of gross proceeds for the president’s list in cash because of conducting the bought deal financing.

(iii) As part of the acquisition of a subsidiary (Smoke Cartel) in 2021, the Company agreed to pay $1,319 if a certain revenue target is achieved. The contingent consideration was calculated using Monte Carlo simulation due to the uncertain nature of the future potential revenue of the Company. During the year ended October 31, 2022, the Company settled the contingent consideration to the previous shareholders of Smoke Cartel through the issuance of 500,000 common shares of the Company valued at $940. The Company recorded $2,211 as a gain on settlement.

(Unaudited – In thousands of Canadian dollars, except share and per share amounts)

(iv) During the year ended October 31, 2022, the Company incurred a total of $974 of share issuance costs, which related to the shares issued through equity financing and shares issued through ATM throughout the year. These costs incurred a deferred tax asset of $487, which has been offset against the Company's prior year tax loss carry-forwards.

19. Share – Based Compensation

(a) Stock Option Plan:

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

The options that were granted during the period were valued using the Black-Scholes option pricing model with the following assumptions: fair value of common shares of $1.91; exercise price of options of $1.90; expected life of 2.37 years; 79% volatility; dividend yield of 0; and a risk-free interest rate of 3.99%. (2022: Fair value of common shares of $8.02; exercise price of options of $8.05; expected life of 2 years; 85% volatility; dividend yield of 0; and a risk-free interest rate of 2.6%)

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

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

The stock options vest at the discretion of the Board of Directors, upon grant to directors, officers, employees and consultants of the Company and its subsidiaries. All options that are outstanding will expire upon maturity, or earlier, if the optionee ceases to be a director, officer, employee or consultant. The maximum exercise period of an option shall not exceed 10 years from the grant date. Changes in the number of stock options, with their weighted average exercise prices, are summarized below:

	April 30, 2023		October 31, 2022	
	Number of options	Weighted Average Exercise Price ($)	Number of options	Weighted Average Exercise Price ($)
Balance, beginning of period	2,250,082	6.16	1,906,129	6.51
Granted	355,500	1.91	554,122	4.99
Forfeited or expired	(118,454)	12.90	(154,669)	5.25
Exercised	—	—	(55,500)	5.93
Balance, end of period	2,487,128	6.03	2,250,082	6.16
Exercisable, end of period	1,698,944	5.68	1,349,450	6.19

For the three and six month period ended April 30, 2023, the Company recorded share-based compensation related to options of $193 and $436 (2022: $1,155 and $1,783).

(b) Restricted Share Units ("RSUs") plan

For the three and six months ended April 30, 2023, the Company recorded share-based compensation related to RSUs of $197 and $296 (2022: $141 and $312). The number of outstanding RSUs outstanding at April 30, 2023 amounts to 486,335 (2022: $132,143).

(c) Escrow Shares

For the three and six months ended April 30, 2023, the Company recorded share-based compensation related to Escrow Shares of $1,142 and $2,236 (2022: $1,057 and $2,160). These shares were granted as part of compensation plan and are released based on the employment agreement.

(Unaudited – In thousands of Canadian dollars, except share and per share amounts)

20. Warrants

	Number of warrants	Warrants amount	Derivative liability amount	Weighted average exercise price	Weighted average number of years to expiry	Expiry dates
	#	$	$	$		
Opening balance, November 1, 2020	**131,064,114**	**5,796**	**266**	**0.42**	**2.07**	
Issued warrants for acquisition - Meta	741,600	3	—	1.31	—	December 14, 2021
Issued warrants for acquisition - Meta	40,076,411	2,616	—	0.35	0.49	February 6, 2023
Issued warrants for acquisition - Meta	4,120,000	120	—	1.10	0.06	April 11, 2023
Revaluation of derivative liability on convertible debentures	—	—	11,697	—	—	December 31, 2022
Warrants issued - equity financing	27,878,919	6,210	—	0.58	0.55	February 22, 2024
Warrants issued - equity financing	21,207,720	3,546	—	12.25	0.03	May 26, 2024
Warrants cancelled or expired	(59,578,382)	(5,457)	—	—	—	
Warrants exercised	(54,268,198)	(2,110)	(10,270)	—	—	
Balance October 31, 2021	**111,242,184**	**10,724**	**1,693**	**2.60**	**2.01**	
Revaluation of derivative liability	—	—	220	—	—	
Warrants cancelled or expired	(17,248,015)	(274)	—	—	—	
Warrants exercised	(7,956,345)	(6)	(1,913)	—	—	
Issued warrants - Promissory note (i)	700,000	321	—	4.98	0.33	June 21, 2023
Issued warrants - Bought deal (ii)	4,956,960	4,732	—	2.73	0.05	July 22, 2027
Balance October 31, 2022	**91,694,784**	**15,497**	**—**	**2.58**	**2.39**	
Warrants cancelled or expired	(39,619,252)	(2,437)	—	—	—	
Balance April 30, 2023	**52,075,532**	**13,060**	**—**	**2.58**	**2.39**	

As at April 30, 2023, 46,418,572 warrants were exercisable, on a basis of 15 warrants for 1 common share.

(i) The Company issued 700,000 warrants which have been fair valued at $321 using the Black-Scholes models. The following assumptions were used: stock price of $2.43, expected life of one year, $nil dividends, volatility 100%, risk-free interest rate of 3.31%, and exercise price of $4.98. The warrants will expire by June 21, 2023.

(ii) The Company issued 4,956,960 warrants which have been fair valued at $4,731 using the Black-Scholes. Each warrant entitles the holder to acquire one common share of the Company. Management has calculated the fair value of the warrants issued using the following assumptions: fair value of common shares $2.05; exercise price of options $2.73; expected life of five years, volatility 253% and a risk-free interest rate of 2.9%, and the fair value of shares issued using the active share price on the date of issuance.

(Unaudited – In thousands of Canadian dollars, except share and per share amounts)

21. Loss Per Share

(a) Current period loss per share:

	Three months ended April 30,		Six months ended April 30,	
	2023	2022	**2023**	2022
	$	$	**$**	$
Net loss for the period	**(1,568)**	(8,277)	**(5,429)**	(15,629)
Non-controlling interest portion of net loss	**24**	(28)	**106**	(621)
Net loss for the period attributable to owners of the Company	**(1,544)**	(8,305)	(5,323)	(16,250)
	#	#	**#**	#
Weighted average number of common shares - basic	**74,623,925**	60,050,211	**73,512,103**	59,027,190
Basic loss per share	**(0.02)**	(0.14)	**(0.07)**	(0.28)

The existing stock options and RSUs have not been considered as part of the calculation of dilutive loss per share as these were anti-dilutive for the period.

22. Financial Instruments and Risk Management

The Company's activities expose it to a variety of financial risks. The Company is exposed to credit, liquidity, and market risk due to holding certain financial instruments. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

Risk management is carried out by senior management in conjunction with the Board of Directors.

Fair value

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

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

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

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

- Marketable securities are determined based on level 1 inputs, as the prices for the marketable securities are quoted in public exchanges.
- Derivative warrant liabilities are designated as FVTPL and are measured using level 2 inputs. The fair value of the derivative warrant liabilities are measured each reporting period with changes in the fair value recognized in the consolidated statement of loss and comprehensive loss. Assumptions used to calculate the fair value include stock price, volatility, and risk-free interest rate.
- Long-term fixed-rate notes receivables and loans payable are initially recorded at fair value and are evaluated by the Company based on level 2 inputs such as discounted future interest and principal payments using current market interest rates of instruments using similar terms. These instruments are subsequently measured through amortized cost, through accretion and interest income recognized through the statement of loss and comprehensive loss.

(Unaudited – In thousands of Canadian dollars, except share and per share amounts)

- The Convertible debentures are evaluated by the Company based on level 2 inputs such as the effective interest rate and the market rates of comparable securities. The convertible debentures are initially measured at amortized cost and at each reporting period accretion incurred in the period is recorded to transaction costs in the consolidated statement of loss and comprehensive loss.

- The liabilities associated with the put options included in the acquisitions of FABCBD, Blessed and NuLeaf have been recorded at fair value based on level 3 inputs. The valuation model considers the present value of the future obligation using a multiple of forecasted trailing twelve month EBITDA for FABCBD and NuLeaf, and forecasted twelve month revenue for Blessed CBD, and a risk-adjusted discount rate for FABCBD, Blessed and NuLeaf. Significant unobservable inputs include expected cash flows and the risk adjusted interest rate. The estimated fair value would increase (decrease) if the expected cash flows were higher (lower) or the risk adjusted interest rate were lower (higher).

Credit risk

Credit risk arises when a party to a financial instrument will cause a financial loss for the counter party by failing to fulfill its obligation. Financial instruments that subject the Company to credit risk consist primarily of cash, accounts receivable, marketable securities and loans receivable. The credit risk relating to cash and cash equivalents and restricted marketable securities balances is limited because the counterparties are large commercial banks. The amounts reported for accounts receivable in the statement of consolidated financial position is net of expected credit loss and the net carrying value represents the Company's maximum exposure to credit risk. Accounts receivable credit exposure is minimized by entering into transactions with creditworthy counterparties and monitoring the age and balances outstanding on an ongoing basis. Sales to retail customers are required to be settled in cash or using major credit cards, mitigating credit risk.

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

As at	April 30, 2023	October 31, 2022
	$	$
Current (for less than 30 days)	6,832	5,435
31 – 60 days	219	420
61 – 90 days	1,246	568
Greater than 90 days	2,268	2,148
Less allowance	(1,155)	(655)
	9,410	7,916

For the six months ended April 30, 2023, $500 (2022: $142) in trade receivables were written off against the loss allowance due to bad debts. Individual receivables which are known to be uncollectible are written off by reducing the carrying amount directly. The remaining accounts receivable are evaluated by the Company based on parameters such as interest rates, specific country risk factors, and individual creditworthiness of the customer. Based on this evaluation, allowances are taken into account for the estimated losses of these receivables.

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

(Unaudited – In thousands of Canadian dollars, except share and per share amounts)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company generally relies on funds generated from operations, equity, and debt financing to provide sufficient liquidity to meet budgeted operating requirements and to supply capital to expand its operations.

Historically the Company has been able to sustain its operations and meet liabilities as they come due through cash generated by operating results as well as equity financing where applicable. While no certainty can be obtained around future results, the Company anticipates that cash flows from operations, working capital, and other sources of financing will be sufficient to meet its debt repayments and other obligations as they come due.

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

	Contractual cash flows	Less than one year	1-3 years	3-5 years	Greater than 5 years
	$	$	$	$	$
October 31, 2022					
Accounts payable and accrued liabilities	26,887	26,887	-	-	-
Notes payable	12,257	-	-	12,257	-
Interest bearing loans and borrowings	16,393	16,393	-	-	-
Derivative liability	6,336	6,336	-	-	-
Convertible debentures	7,466	2,696	4,770	-	-
Undiscounted lease obligations	37,116	9,683	12,604	7,437	7,392
Total	**106,455**	**61,995**	**17,374**	**19,694**	**7,392**
April 30, 2023					
Accounts payable and accrued liabilities	21,933	21,933	-	-	-
Notes payable	12,473	-	-	12,473	-
Interest bearing loans and borrowings	17,659	17,659	-	-	-
Derivative liability	3,788	3,788	-	-	-
Convertible debentures	8,331	6,349	1,982	-	-
Undiscounted lease obligations	33,826	4,696	13,246	7,835	8,049
Total	**98,010**	**54,425**	**15,228**	**20,308**	**8,049**

Interest bearing loans and borrowings: On August 15, 2022, the Company entered into a $19,000 demand term loan with Connect First credit union (the "Credit Facility") with Tranche 1 - $12,100 available in a single advance, and Tranche 2 - $6,900 available in multiple draws subject to pre-disbursement conditions set. The demand loan bears interest at the Credit Union's prime lending rate plus 2.50% per annum and is set to mature on September 5, 2027. Although the maturity is in 2027, this liability has to be classified as a "Short Term" since the credit facility is repayable on demand.

Convertible debentures, the principal payments regarding the Convertible debentures are shown as currently agreed to. However, the Company is in active discussions to amend the terms of the debenture which is expected to result in a longer period between principal payments.

The Company also has access to raise additional cash through the ATM program (Note 18).

Interest rate risk

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

At April 30, 2023, approximately 58% of the Company's borrowings are at a fixed rate of interest (2022: 84%).

(Unaudited – In thousands of Canadian dollars, except share and per share amounts)

Assuming all other variables remain constant, a fluctuation of +/- 1.0 percent in the interest rate would impact the interest payment by approximately +/- $76.

Foreign currency risk

Foreign currency risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company maintains cash balances and enters into transactions denominated in foreign currencies, which exposes the Company to fluctuating balances and cash flows due to variations in foreign exchange rates.

The Canadian dollar equivalent carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities as at April 30, 2023 was as follows:

(Canadian dollar equivalent amounts of GBP, EUR and USD balances)	**April 30, 2023 (GBP)**	**April 30, 2023 (EUR)**	**April 30, 2023 (USD)**	**April 30, 2023 Total**	October 31, 2022
	$	**$**	**$**	**$**	$
Cash	825	866	2,784	**4,475**	4,391
Accounts receivable	197	504	898	**1,599**	1,754
Accounts payable and accrued liabilities	(70)	(1,999)	(5,209)	**(7,278)**	(11,542)
Net monetary assets	952	(629)	(1,527)	**(1,204)**	(5,397)

Assuming all other variables remain constant, a fluctuation of +/- 5.0 percent in the exchange rate between USD and the Canadian dollar would impact the carrying value of the net monetary assets by approximately +/- $45 (October 31, 2022 - $34). Maintaining constant variables, a fluctuation of +/- 5.0 percent in the exchange rate between the EUR and the Canadian dollar would impact the carrying value of the net monetary assets by approximately +/- $21 (October 31, 2022 - $38), and a fluctuation of +/- 5.0 percent in the exchange rate between GBP and the Canadian dollar would impact the carrying value of the net monetary assets by approximately +/- $35 (October 31, 2022 - $42). To date, the Company has not entered into financial derivative contracts to manage exposure to fluctuations in foreign exchange rates.

(Unaudited – In thousands of Canadian dollars, except share and per share amounts)

23. Segmented Information

Segments are identified by management based on the allocation of resources, which is done on a basis of selling channel rather than by legal entity. As such, the Company has established two main segments, being retail and wholesale, with a Corporate segment which includes oversight and start up operations of new entities until such time as revenue generation commences. The reportable segments are managed separately because of the unique characteristics and requirements of each business.

For the three months ended April 30,	Retail 2023 ($)	Retail 2022 ($)	Wholesale 2023 ($)	Wholesale 2022 ($)	Corporate 2023 ($)	Corporate 2022 ($)	Total 2023 ($)	Total 2022 ($)
Total revenue	**117,529**	80,045	**428**	973	**179**	13	**118,136**	81,031
Gross profit	**31,339**	22,536	**54**	135	**176**	23	**31,569**	22,694
(Loss) income from operations	**5,624**	(1,021)	**(781)**	(592)	**(7,485)**	(5,965)	**(2,642)**	(7,578)

For the six months ended April 30,	Retail 2023 ($)	Retail 2022 ($)	Wholesale 2023 ($)	Wholesale 2022 ($)	Corporate 2023 ($)	Corporate 2022 ($)	Total 2023 ($)	Total 2022 ($)
Total revenue	**234,455**	151,011	**1,578**	2,186	**179**	52	**236,212**	153,249
Gross profit	**63,280**	45,304	**296**	314	**175**	58	**63,751**	45,676
(Loss) income from operations	**9,479**	(1,588)	**(1,723)**	(910)	**(14,319)**	(11,227)	**(6,563)**	(13,725)

As at April 30, 2023 and October 31, 2022	Retail 2023 ($)	Retail 2022 ($)	Wholesale 2023 ($)	Wholesale 2022 ($)	Corporate 2023 ($)	Corporate 2022 ($)	Total 2023 ($)	Total 2022 ($)
Total assets	**227,935**	241,394	**8,357**	11,949	**31,801**	21,400	**268,093**	274,743
Total liabilities	**66,126**	71,780	**340**	3,054	**37,248**	37,876	**103,714**	112,710

For the three months ended April 30,	Canada 2023 ($)	Canada 2022 ($)	USA 2023 ($)	USA 2022 ($)	International 2023 ($)	International 2022 ($)	Total 2023 ($)	Total 2022 ($)
Total revenue	**103,606**	63,456	**13,661**	15,937	**869**	1,638	**118,136**	81,031
Gross profit	**24,843**	13,922	**6,370**	8,756	**356**	16	**31,569**	22,694
(Loss) income from operations	**(2,788)**	(8,420)	**65**	322	**81**	520	**(2,642)**	(7,578)

For the six months ended April 30,	Canada 2023 ($)	Canada 2022 ($)	USA 2023 ($)	USA 2022 ($)	International 2023 ($)	International 2022 ($)	Total 2023 ($)	Total 2022 ($)
Total revenue	**203,368**	115,898	**30,734**	33,381	**2,110**	3,970	**236,212**	153,249
Gross profit	**48,251**	25,874	**14,580**	17,147	**920**	2,655	**63,751**	45,676
(Loss) income from operations	**(7,719)**	(17,155)	**709**	1,460	**447**	1,970	**(6,563)**	(13,725)

As at April 30, 2023 and October 31, 2022	Canada 2023 ($)	Canada 2022 ($)	USA 2023 ($)	USA 2022 ($)	International 2023 ($)	International 2022 ($)	Total 2023 ($)	Total 2022 ($)
Total assets	**182,061**	183,640	**76,524**	77,247	**9,508**	13,856	**268,093**	274,743
Total liabilities	**84,869**	85,925	**17,210**	24,897	**1,635**	1,888	**103,714**	112,710

24. Related Party Transactions

As at April 30, 2023, the Company had the following transactions with related parties as defined in IAS 24 – *Related Party Disclosures*, except those pertaining to transactions with key management personnel in the ordinary course of their employment and/or directorship arrangements and transactions with the Company's shareholders in the form of various financing.

Operational transactions

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

An office and warehouse unit located in Savannah, Georgia has been leased out by 2G Realty, LLC, a company that is related through the former Chief Technology Officer of the Company. The office and warehouse space were leased to accommodate the Company's operational needs for Smoke Cartel. The lease was established at prevailing market rates and has annual lease payments totaling $52 per annum. The primary lease term is 1 year with one additional 1-year term extension exercisable at the option of the Company. As at April 30, 2023, the lease has expired.

Financing transactions:

On July 22, 2022, the Company issued, on a bought deal basis post-consolidation, 4,956,960 units of the Company at a price of $2.32 per unit post-consolidation. The corporate secretary of the Company, collectively participated in the offering and acquired an aggregate of 130,800 units post-consolidation.

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

(i) 12 months following initial funding, provided all covenants of High Tide Inc. are in good standing; and

(ii) The CEO no longer being an officer of High Tide Inc.

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

(Unaudited – In thousands of Canadian dollars, except share and per share amounts)

25. Right of Use Assets and Lease Obligations

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

Right of use assets	$
Balance at October 31, 2022	30,519
Net additions	2,368
Depreciation expense for the period	(4,457)
Balance at April 30, 2023	**28,430**

Lease Liabilities	$
Balance at October 31, 2022	33,768
Net additions	2,310
Cash outflows in the year	(5,406)
Interest expense for the year ended	1,157
Balance at April 30, 2023	**31,829**
Current	(6,660)
Non-current	25,169

As at April 30, 2023, $179 (2022: $202) is due to the Company in respect of sublease arrangements. For the period ended April 30, 2023, $273 (2022: $208) was received in respect of sublease arrangements, which was recognized as other revenue. During the period ended April 30, 2023, the Company also paid $2,251 (2022: $1,546) in variable operating costs associated to the leases which are expensed under general and administrative expenses.

26. Capital Management

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

(i) Explore profitable growth opportunities;

(ii) Deploy capital to provide an appropriate return on investment for shareholders;

(iii) Maintain financial flexibility to preserve the ability to meet financial obligations; and

(iv) Maintain a capital structure that provides financial flexibility to executed on strategic opportunities.

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

27. Contingent liability

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

(Unaudited – In thousands of Canadian dollars, except share and per share amounts)

28. Non-controlling interest

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

	April 30, 2023	October 31, 2022
	$	$
Total current assets	9,838	12,471
Total non-current assets	29,936	30,147
Total current liabilities	(12,838)	(10,130)
Total non-current liabilities	(2,994)	(3,366)

	Six months ended April 30	
	2023	2022
	$	$
Revenues for the period ended	20,481	28,145
Net income for the period ended	(1,310)	3,687

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

As at	April 30, 2023	October 31, 2022
	$	$
Balance, beginning of year	5,683	4,795
Share of (gain) for the period - Saturninus Partners	(37)	(110)
Share of loss (gain) for the period - Meta	137	(136)
Share of (gain) loss for the period - FABCBD	(509)	500
Share of loss for the period - Blessed	424	305
Share of (gain) loss for the period - NuLeaf	(100)	563
Purchase of NuLeaf	-	1,726
Distribution - Saturninus Partners	-	(749)
Distribution - FABCBD	-	(372)
Distribution - Blessed	(163)	(569)
Distribution - NuLeaf	-	(270)
Balance	5,435	5,683