

Condensed Consolidated Interim Financial Statements of

Purebread Brands Inc.

(Formerly Coho Collective Kitchens Inc.)

(Unaudited)

For the three and six months ended September 30, 2024 and 2023

(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, *Continuous Disclosure Obligations*, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established for a review of interim financial statements by an entity's auditor.

The accompanying unaudited condensed consolidated interim financial statements of the Company have been prepared by and are the responsibility of the Company's management team.

PUREBREAD BRANDS INC. (FORMERLY COHO COLLECTIVE KITCHENS INC.)

Condensed Consolidated Interim Statements of Financial Position

(Unaudited – Expressed in Canadian Dollars)

	Note	As at September 30, 2024	As at March 31, 2024
GASSETS			
Current			
Cash		\$ -	\$ -
Receivables		54,935	145,691
Inventory	3	204,653	165,171
Prepaid expenses – current portion		1,146,757	1,139,380
		<u>1,406,345</u>	<u>1,450,242</u>
Non-current			
Prepaid expenses		484,663	994,954
Property and equipment	5	4,831,095	5,073,602
Right-of-use assets	6	10,548,061	10,434,731
Goodwill	3	6,987,016	6,987,016
Intangible assets	3,4	4,614,111	4,618,924
		<u>28,871,291</u>	<u>29,559,469</u>
TOTAL ASSETS			
LIABILITIES			
Current			
Bank indebtedness		128,078	116,401
Trade payables and accrued liabilities	17	5,672,931	4,440,560
Customer deposits	13	331,572	346,195
Equipment deposit	14	399,908	399,908
Deferred revenue		27,437	75,084
Lease obligation – current portion	6	1,055,225	924,073
Loans from shareholders	12	69,030	109,312
Other loans – current portion	15	5,250,924	4,197,438
Promissory notes	16	614,100	533,000
Derivative liability	18	64,578	64,578
Term Facility	19	4,745,020	5,146,940
Acquisition earn-out – current portion	3	182,510	182,473
		<u>18,541,313</u>	<u>16,535,962</u>
Non-current			
Lease obligation	6	11,138,773	10,976,082
Other loans	15	275,795	255,744
Convertible debentures	17	1,966,728	1,902,180
Vendor take-back note	20	1,500,000	1,500,000
Acquisition earn-out	3	439,958	537,380
Deferred income tax liability	21	1,155,921	1,155,921
		<u>35,018,488</u>	<u>32,863,269</u>
TOTAL LIABILITIES			
SHAREHOLDERS' EQUITY (DEFICIT)			
Share capital	7	19,475,341	19,465,497
Other reserves	7,8	2,444,184	2,324,719
Subscriptions received in advance		25,000	25,000
Deficit		(28,091,722)	(25,119,016)
		<u>(6,147,197)</u>	<u>(3,303,800)</u>
TOTAL SHAREHOLDERS' EQUITY (DEFICIT)			
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			
		<u>\$ 28,871,291</u>	<u>\$ 29,559,469</u>

Nature of operations and going concern (Note 1)

Subsequent events (Note 23)

Approved by the Directors:

"Andrew Barnes"

Andrew Barnes, Director

"Amrit Maharaj"

Amrit Maharaj, Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PUREBREAD BRANDS INC. (FORMERLY COHO COLLECTIVE KITCHENS INC.)

Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Unaudited – Expressed in Canadian Dollars)

	Note	Three months ended September 30, 2024	Three months ended September 30, 2023	Six months ended September 30, 2024	Six months ended September 30, 2023
REVENUE					
Rental	22	\$ 744,773	\$ 724,123	\$ 1,498,290	\$ 1,303,156
Retail	22	3,958,524	909,794	7,240,724	1,223,090
TOTAL REVENUE		4,703,297	1,633,917	8,739,014	2,526,246
COST OF SALES (RETAIL)	22	1,711,128	285,253	3,288,823	386,710
GROSS PROFIT		2,992,169	1,348,664	5,450,191	2,139,536
OPERATING EXPENSES					
Advertising and promotion		5,058	10,776	8,909	36,366
Amortization	4,5,6	594,432	445,770	1,117,573	849,022
Accretion	15,17	101,053	16,761	203,381	31,053
Interest	6,15,16, 17,19,20	723,049	314,590	1,434,990	567,363
Occupancy cost		688,058	262,171	1,671,472	553,235
Office and miscellaneous		139,353	117,453	302,926	199,362
Professional fees		400,471	694,051	774,596	904,912
Salaries and benefits	12	1,107,172	876,062	2,379,653	1,441,255
Share based compensation	3,8,12	59,409	97,879	129,309	201,405
Subcontractor		60,258	11,405	90,240	25,293
Supplies		180,806	85,930	309,848	168,152
TOTAL OPERATING EXPENSES		4,059,119	2,932,848	8,422,897	4,977,418
NET OPERATING LOSS		\$ (1,066,950)	\$ (1,584,184)	\$ (2,972,706)	\$ (2,837,882)
OTHER ITEMS					
Loss on derecognition of property and equipment	5	-	-	-	(81,614)
Gain on forgiveness of loan		-	-	-	12,000
Gain on write off of trade payables		-	29,994	-	29,994
NET LOSS BEFORE TAXES		\$ (1,066,950)	\$ (1,554,190)	\$ (2,972,706)	\$ (2,877,502)
Income tax expense		-	(20,600)	-	(20,600)
NET LOSS		\$ (1,066,950)	\$ (1,574,790)	\$ (2,972,706)	\$ (2,898,102)
NET LOSS PER SHARE – BASIC AND DILUTED					
	9	\$(0.01)	\$(0.02)	\$(0.03)	\$(0.03)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING – BASIC AND DILUTED					
	9	115,802,763	87,677,785	115,793,136	85,990,683

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PUREBREAD BRANDS INC. (FORMERLY COHO COLLECTIVE KITCHENS INC.)

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficit)

(Unaudited – Expressed in Canadian Dollars)

	Number of shares	Share Capital	Other Reserves	Subscriptions Received in Advance	Deficit	Total Shareholders' Equity (Deficit)
Balance at March 31, 2023	84,285,042	\$ 14,916,334	\$ 1,217,102	\$ -	(17,443,559)	\$ (1,310,123)
Shares issued on private placement net of share issuance costs (Note 7)	26,445,186	4,266,608	-	-	-	4,266,608
Shares issued as finder's fees on private placement (Note 7)	945,181	(160,681)	160,681	-	-	-
Shares issued as corporate finance fee (Note 7)	294,118	(50,000)	50,000	-	-	-
Compensation warrants issued as finder's fees on private placement (Note 7)	-	(36,682)	36,682	-	-	-
Agent warrants issued as finder's fees on private placement (Note 7)	-	(131,904)	131,904	-	-	-
Subscriptions received in advance (Note 7)	-	-	-	-	-	-
Shares issued for acquisition of Purebread Bakery (Note 2,7)	1,000,000	170,000	-	25,000	-	25,000
Shares issued as finder's fees on acquisition of Purebread Bakery (Note 2,7)	2,500,000	(425,000)	425,000	-	(380,285)	(210,285)
Finder's warrants issued as finder's fees on acquisition of Purebread Bakery (Note 2,8)	-	(91,537)	91,537	-	-	-
Shares issued for vested restricted share units (Note 7)	71,875	-	-	-	-	-
Equity component of convertible debentures (Note 17)	-	-	70,541	-	-	70,541
Share-based compensation (Note 3,8)	-	-	201,405	-	-	201,405
Net loss and comprehensive loss for the period	-	-	-	-	(2,898,102)	(2,898,102)
Balance at September 30, 2023	115,541,402	\$ 18,457,138	\$ 2,384,852	\$ 25,000	(20,721,946)	\$ 145,044
Balance at March 31, 2024	115,783,402	\$ 19,465,497	\$ 2,324,719	\$ 25,000	(25,119,016)	\$ (3,303,800)
Shares issued for vested restricted share units (Note 7)	46,875	9,844	(9,844)	-	-	-
Share-based compensation (Note 8)	-	-	129,309	-	-	129,309
Net loss and comprehensive loss for the period	-	-	-	-	(2,972,706)	(2,972,706)
Balance at September 30, 2024	115,830,277	\$ 19,475,341	\$ 2,444,184	\$ 25,000	(28,091,722)	\$ (6,147,197)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PUREBREAD BRANDS INC. (FORMERLY COHO COLLECTIVE KITCHENS INC.)

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited – Expressed in Canadian Dollars)

	For the six months ended September 30, 2024	For the six months ended September 30, 2023
Operating Activities		
Net loss for the period	\$ (2,972,706)	\$ (2,898,102)
Items not involving cash:		
Amortization of property and equipment	476,127	435,925
Amortization of right-of-use assets	650,017	413,097
Amortization of intangible assets	4,813	-
Accretion of non-interest bearing loans and convertible debentures	203,381	31,053
Interest	844,832	417,971
Share-based compensation	129,309	201,405
Gain on forgiveness of loan	-	(12,000)
Loss on derecognition of property and equipment	-	81,614
Gain on write off of trade payables	-	(29,994)
Changes in working capital and other items:		
Receivables	(90,756)	206,807
Inventory	(39,482)	(204,653)
Prepaid expenses	502,914	(808,171)
Trade payables and accrued liabilities	1,168,927	493,370
Deferred revenue	(47,647)	36,630
Customer deposits	(14,623)	105,169
Acquisition earn-out	(97,385)	-
Net cash provided by (used in) operating activities	<u>899,233</u>	<u>(1,529,879)</u>
Investing Activities		
Purchase of property and equipment	(233,626)	(2,501,796)
Payables related to capital expenditures	(30,403)	1,565,324
Cash paid for acquisition of Purebread Bakery	-	(2,714,994)
Net cash used in investing activities	<u>(264,029)</u>	<u>(3,651,466)</u>
Financing Activities		
Proceeds from share issuances net of share issuance costs	-	4,266,608
Subscriptions received in advance	-	25,000
Loan advances	1,506,191	1,822,170
Loan repayments	(476,509)	(974,774)
Promissory note advances	100,000	-
Promissory note repayments	(115,000)	-
Term facility repayments	(608,286)	-
Lease obligation	(1,011,864)	(654,584)
Shareholder advances (repayments)	(40,282)	20,682
Proceeds from convertible debentures	-	1,000,000
Net cash provided by (used in) financing activities	<u>(645,750)</u>	<u>5,505,102</u>
Effect of foreign exchange on cash	(1,131)	-
Increase (decrease) in cash (bank indebtedness) during the period	(11,677)	323,757
Cash (bank indebtedness), beginning of period	(116,401)	249,737
Cash (bank indebtedness), end of period	\$ (128,078)	\$ 573,494

PUREBREAD BRANDS INC. (FORMERLY COHO COLLECTIVE KITCHENS INC.)

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited – Expressed in Canadian Dollars)

Supplemental Cash Flow Information

Non-Cash Transactions

Shares issued as commission on private placement	\$	-	\$	(160,681)
Shares issued as corporate finance fee on private placement		-		(50,000)
Compensation warrants issued as finder's fees on private placement		-		(36,682)
Agent warrants issued as finder's fees on private placement		-		(131,904)
Shares issued for acquisition of Purebread Bakery		-		170,000
Shares issued as finder's fees on acquisition of Purebread Bakery		-		(425,000)
Finder's warrants issued as finder's fees on acquisition of Purebread Bakery		-		(91,537)
Term facility used for acquisition of Purebread Bakery		-		5,500,000
Vendor take-back note issued for acquisition of Purebread Bakery		-		1,500,000
Equity component of convertible debentures		-		70,541
Reclassification of other loans to convertible debentures		-		650,000
Transfer from reserves to share capital upon vesting of restricted share units			9,844	-

The accompanying notes are an integral part of these condensed consolidated interim financial statements

PUREBREAD BRANDS INC. (FORMERLY COHO COLLECTIVE KITCHENS INC.)

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended September 30, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Purebread Brands Inc. (formerly Coho Collective Kitchens Inc.) (the “Company”) was incorporated on June 7, 2019 under the *Business Corporations Act* of British Columbia. The Company’s principal business activities are the provision of Commercial Commissary Kitchens and rental of these kitchens to food based businesses in Canada. Subsequent to September 20, 2023, the Company’s principal business activities include the operations of Purebread. Bakery Inc. (“Purebread Bakery”), which currently runs eight bakery and café locations across British Columbia. The Company’s registered office is at 2900-550 Burrard Street Vancouver, BC V6C 0A3.

On May 22, 2024, the Company changed its name to Purebread Brands Inc. and on May 24, 2024 continued trading on the TSX Venture Exchange (“TSXV”) under the ticker symbol “BRED”.

Going Concern

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company is able to meet its commitments, realize its assets and discharge its liabilities through its normal course of business.

The Company’s ability to meet its financial obligations depends on a number of factors, some of which are beyond its control. These include general global economic, credit and capital market conditions, and the demand for and selling price of its services. There is no assurance that the expected cash flows from operations and the other steps being taken will allow the Company to meet its obligations as they become due.

The Company may not generate sufficient funds from operations to meet all of its financial obligations and may need to generate funds from other sources to do so. Rapidly changing global economic conditions make access to the credit and capital markets difficult for the Company, which may compromise its ability to obtain suitable financing.

The Company’s existing financial obligations will constrain its capital spending and that may have an adverse effect on its operations. The Company’s debt levels will also limit its ability to expand its operations or make other investments that would enhance its competitiveness.

Accordingly, there is a risk that the steps described above will not be successful in allowing the Company to meet its obligations, which may require the Company to sell core assets or raise debt or equity capital. However, these actions may have a material adverse effect on the Company’s business and on the market prices of its equity securities.

If the Company is unable to generate positive cash flow or obtain adequate financing, the Company would need to reduce operations. The Company has not yet generated positive income or cash flows from operations. For the six months ended September 30, 2024, the Company had a net loss of \$2,972,706, and positive cash flows from operations of \$899,233. At September 30, 2024, the Company’s current liabilities exceeded its current assets by \$17,134,968. These factors indicate the existence of material uncertainties that may cast significant doubt about the Company’s ability to continue as a going concern. The Company’s ability to continue as a going concern is dependent upon the Company’s ability to achieve profitable operations, the ability to obtain debt or equity financing, and the cooperation of existing debt holders. The Company has been successful obtaining funding in the past but there is no assurance that it will be successful in obtaining future funding. Failure to continue as a going concern would require that Company’s assets and liabilities be restated on a liquidation basis which could differ materially from the going concern basis.

PUREBREAD BRANDS INC. (FORMERLY COHO COLLECTIVE KITCHENS INC.)

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended September 30, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

2. MATERIAL ACCOUNTING POLICIES

Basis of presentation

These unaudited condensed consolidated interim financial statements as at and for the three and six months ended September 30, 2024 and 2023 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and in accordance with IAS 34, Interim Financial Reporting (“IAS 34”). The accounting policies, methods of computation and presentation applied in these unaudited condensed consolidated interim financial statements are consistent with those of the previous fiscal year. These unaudited condensed consolidated interim financial statements reflect the accounting policies and disclosures described in Note 3 of the Company’s audited consolidated financial statements for the year ended March 31, 2024, and accordingly, should be read in conjunction with those audited consolidated financial statements and the notes thereto.

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are measured at fair value. The condensed consolidated interim financial statements are presented in Canadian dollars and all financial amounts, other than per-share amounts, are rounded to the nearest dollar. The functional currency of the Company and its subsidiaries is the Canadian dollar.

The Company, in the course of its normal operations, is subject to claims, lawsuits, and contingencies. Accruals are made in instances where it is probable that liabilities may be incurred and where such liabilities can be reasonably estimated.

The Company’s board of directors approved the release of these condensed consolidated interim financial statements on November 29, 2024.

Basis of consolidation

These condensed consolidated interim financial statements include the accounts of the Company and the following subsidiaries:

ENTITY	REGISTERED	HOLDING
Coho Commissary Inc.	British Columbia	100%
Coho Creekside Commissary Inc.	British Columbia	100%
The Block at Coho Collective Kitchens Inc.	British Columbia	100%
Café Coho Inc.	British Columbia	100%
Sunshine by Coho Collective Kitchens Inc.	British Columbia	100%
Richmond by Coho Collective Kitchens Inc.	British Columbia	100%
Phantom Kitchen Inc.	British Columbia	100%
Victoria by Coho Collective Kitchens Inc.	British Columbia	100%
Coho Acquisition Corp. ⁽¹⁾	British Columbia	100%
Purebread Bakery ⁽²⁾	British Columbia	100%

⁽¹⁾ Coho Acquisition Corp. was incorporated on May 26, 2023.

⁽²⁾ Purebread Bakery was acquired on September 20, 2023 and is a wholly owned subsidiary of Coho Acquisition Corp. (Note 3).

The subsidiaries are controlled by the Company. Control exists when the Company is exposed, or has rights, to the variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

PUREBREAD BRANDS INC. (FORMERLY COHO COLLECTIVE KITCHENS INC.)

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended September 30, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

The financial statements of the subsidiaries are included in the condensed consolidated interim financial statements from the date that control commences. Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the condensed consolidated interim financial statements.

3. BUSINESS COMBINATIONS

On September 20, 2023, Coho Acquisition Corp., a wholly owned subsidiary of the Company, acquired 100% of the issued and outstanding shares of Purebread Bakery (the “Acquisition”). The Acquisition met the definition of a business per IFRS 3, Business Combinations and therefore was accounted for under IFRS 3. Business combinations are accounted for using the acquisition method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date. The excess of the cost of the acquisition over the fair value of the identifiable net assets acquired is recorded as goodwill. The Acquisition expanded the Company’s scope of services to the Vancouver food industry. Goodwill is attributable to the workforce of the acquired business as well as the expected opportunities for growth. The goodwill is deductible for tax purposes.

For the period from September 20, 2023 to March 31, 2024, \$6,990,166 of revenue and \$438,773 of net income related to Purebread Bakery have been included in consolidated earnings. If the Acquisition had occurred on April 1, 2023, \$13,219,744 of revenue and \$829,804 of net income would have been incurred by the Company.

The following table summarizes the recognized amounts of assets acquired, liabilities assumed and consideration paid, at the date of acquisition:

Consideration paid:

Cash paid	\$	8,337,154
Vendor take-back note issued (Note 20)		1,500,000
Legal fees incurred on behalf of Vendors		49,491
1,000,000 common shares issued at \$0.18 per share		180,000
1,000,000 restricted share units granted (Note 8)		94,918
Fair value of earn-out ⁽¹⁾		794,286
Total	\$	10,995,849

Net assets acquired:

Cash	\$	59,865
Receivables		21,636
Inventory		254,209
Prepaid expenses		73,212
Property and equipment		983,485
Right-of-use assets		4,244,399
Goodwill		6,987,016
Intangible assets (Note 4)		4,624,000
Trade payables and accrued liabilities		(629,292)
Lease obligation		(4,244,399)
Other loans		(62,915)
Deferred income tax liability		(1,355,367)
Total		10,955,849

PUREBREAD BRANDS INC. (FORMERLY COHO COLLECTIVE KITCHENS INC.)

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended September 30, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

(1) In connection with the Acquisition, the Company agreed to pay the vendors of Purebread Bakery (the “Vendors”) an earn-out for an aggregate of seven percent (7%) of monthly revenues, net of discounts, credits and other chargebacks, but gross of rent and other operating costs, generated from Purebread Bakery Vancouver International Airport location. The earn-out is paid monthly over a period of 48 months, commencing on the first day of each calendar month following September 20, 2023. As at the date of the Acquisition, the earn-out was treated as contingent consideration, measured at a fair value of \$794,286 at a discount rate of 17.0% in the consolidated statement of financial position. The fair value of the contingent consideration will be assessed for remeasurement at each reporting period end until the earn-out period expires. As at September 30, 2024, the fair value of the earn-out was \$622,468 (March 31, 2024 - \$719,853), of which \$182,510 was current (March 31, 2023 - \$182,473).

In connection with the Acquisition, the Company also paid a finder’s fee to the Agent on September 20, 2023. The finder’s fee consisted of 2,500,000 common shares with a fair value of \$91,537 and 2,500,000 common share purchase warrants (“Finder’s Warrants”) with a fair value of \$425,000 (Note 8). The fair value of the common shares and Finder’s Warrants were recorded to share-based compensation. Each Finder’s Warrant entitles the holder to purchase one common share at an exercise price of \$0.40 until September 20, 2026.

4. INTANGIBLE ASSETS

	Customer Relationship	Brand	Total
Cost			
Balance as at March 31, 2023	\$ -	\$ -	\$ -
Additions (Note 3)	96,000	4,528,000	4,624,000
Balance as at March 31 and September 30, 2024	96,000	4,528,000	4,264,000
Accumulated Amortization			
Balance as at March 31, 2023	\$ -	\$ -	\$ -
Depreciation expense	5,076	-	5,076
Balance as at March 31, 2024	5,076	-	5,076
Depreciation expense	4,813	-	4,813
Balance as at September 30, 2024	9,889	-	9,889
Net Book Value as at September 30, 2024	\$ 86,111	\$ 4,528,000	\$ 4,614,111
Net Book Value as at March 31, 2024	\$ 90,924	\$ 4,528,000	\$ 4,618,924

The brand was determined to have an indefinite life as it is expected to contribute to cashflows indefinitely. The goodwill and the brand are part of the retail bakery CGU.

At acquisition, goodwill and intangible assets are allocated to the cash generating unit (“CGU”) expected to benefit from the synergies of the business combinations in which the goodwill and intangible assets arise. The Company has determined that goodwill, the brand and customer relationship are pertaining to Purebread Bakery (retail bakery CGU). Goodwill, the brand, and customer relationship are subject to impairment testing on an annual basis. The annual impairment test date is March 31, 2025 and 2024. For the year ended March 31, 2024, the recoverable amounts of goodwill, the brand, and customer relationship were determined using the discounted cash flow (DCF) method. The DCF method involves estimating future cash inflows and outflows that are expected to be derived from the asset and discounting them at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The key assumptions used in the DCF calculations for the impairment testing of goodwill, the brand, and customer relationship as at March 31, 2024, were as follows:

PUREBREAD BRANDS INC. (FORMERLY COHO COLLECTIVE KITCHENS INC.)

Notes to the Condensed Consolidated Interim Financial Statements

For the three and six months ended September 30, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

- Discount Rate: 17.1%
- Cash Flow Projections: Based on management's approved budgets and forecasts covering a period of 3 years. Cash flows beyond the 3-year period have been extrapolated using a steady growth rate of 3%, which does not exceed the long-term average growth rate for the industry.

Based on the impairment test performed, the recoverable amount exceeded the carrying value as at March 31, 2024.

5. PROPERTY AND EQUIPMENT

	Software	Furniture and Equipment	Leasehold Improvements	Total
Cost				
Balance as at March 31, 2023	\$ 86,598	\$ 1,058,656	\$ 4,943,619	\$ 6,088,873
Additions	-	147,320	128,594	275,914
Additions from acquisition (Note 3)	-	123,947	859,538	983,485
Derecognition of property and equipment	-	-	(134,757)	(134,757)
Balance as at March 31, 2024	86,598	1,329,923	5,796,994	7,213,515
Additions	-	17,913	215,707	233,620
Balance as at September 30, 2024	86,598	1,347,836	6,012,701	7,447,135
Accumulated Amortization				
Balance as at March 31, 2023	38,212	511,216	821,438	1,370,866
Depreciation expense	28,866	235,119	558,205	822,190
Derecognition of property and equipment	-	-	(53,143)	(53,143)
Balance as at March 31, 2024	67,078	746,335	1,326,500	2,139,913
Depreciation expense	14,433	129,532	332,162	476,127
Balance as at September 30, 2024	81,511	875,867	1,658,662	2,616,040
Net Book Value as at September 30, 2024	\$ 5,087	\$ 471,969	\$ 4,354,039	\$ 4,831,095
Net Book Value as at March 31, 2024	\$ 19,520	\$ 583,588	\$ 4,470,494	\$ 5,073,602

Furniture and equipment are included in the leased space to the Company's customers.

6. LEASES

As at September 30, 2024 the Company had lease arrangements with various lease agreements for its commercial kitchens and bakery locations. Fair value of the right-of-use assets and lease obligations were determined by discounting future lease payments at incremental borrowing rates which averaged 9%, applicable on date of acquisition. The summary of the Company's right-of-use asset and lease liabilities are as follows:

Right-of-use assets

Cost	
Balance as at March 31, 2023	\$ 8,406,436
Additions	4,463,742
Derecognition of right-of-use asset	(304,436)
Balance as at March 31, 2024	12,565,742
Additions	763,347
Balance as at September 30, 2024	\$ 13,329,089

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Accumulated Amortization	
Balance as at March 31, 2023	\$ 1,199,981
Amortization	1,115,866
Derecognition of right-of-use asset	(184,836)
Balance as at March 31, 2024	2,131,011
Amortization	650,017
Balance as at September 30, 2024	2,781,028
<hr/>	
Net Book Value as at September 30, 2024	\$ 10,548,061
Net Book Value as at March 31, 2024	\$ 10,434,731

Lease Obligation

Balance as at March 31, 2023	\$ 8,281,321
Additions – premises and equipment	4,549,095
Interest expense	906,599
Lease payments	(1,709,639)
Derecognition of lease obligation	(127,221)
Balance as at March 31, 2024	11,900,155
Additions – premises	763,341
Interest expense	542,366
Lease payments	(1,011,864)
Balance as at September 30, 2024	12,193,998
Current portion of lease liabilities	(1,055,225)
Non-current portion of lease liabilities	\$ 11,138,773

The Company has elected not to recognize right-of-use assets for leases that have a term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments with these leases as an expense on a straight-line basis over the lease term.

The variable rental payments that were expensed and not included in the measurement of right-of-use assets and lease obligations during the six months ended September 30, 2024 was \$477,788 (September 30, 2023 - \$264,976).

Right-of-use assets includes right-of-use premises only. Right-of-use equipment and vehicles are included in property and equipment (Note 6). As at September 30, 2024, \$247,099 of leased equipment and vehicles was included in property and equipment (March 31, 2024 - \$296,966).

As at September 30, 2024, the future minimum lease payments under non-cancellable lease agreements were payable as follows:

	September 30, 2024
Less than 1 year	\$ 2,058,122
Between 1 and 3 years	5,823,009
More than 3 years	10,355,817
Total	\$ 18,236,948

On August 14, 2024, a subsidiary of the Company, “Richmond by Coho Collective Kitchens Inc.”, was served with a notice of civil claim filed in the Supreme Court of British Columbia by the landlord of the Richmond Location, the Peterson Crestwood Limited Partnership Group (the “Richmond Landlord”). The Company was named as a co-

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defendant on the civil claim. The claim seeks unspecified damages. On September 24, 2024, the Company responded to the Richmond Landlord's civil claim.

7. SHARE CAPITAL

Authorized

The Company may issue unlimited common voting shares without par value.

Issued

	September 30, 2024	March 31, 2024
115,830,277 Common shares (March 31, 2024 – 115,783,402)	\$ 19,475,341	\$ 19,465,497

During the six months ended September 30, 2024:

During the six months ended September 30, 2024, 46,875 common shares were issued upon the vesting of 46,875 restricted share units (Note 8). \$9,844 was transferred from reserves to share capital upon the vesting of these restricted share units

As at September 30, 2024, the Company received \$25,000 in proceeds from a subscriber before common shares were issued (March 31, 2024 - \$25,000).

During the six months ended September 30, 2023:

On September 20, 2023, the Company issued 26,445,186 units of the Company at a price of \$0.17 per unit by way of a private placement for gross proceeds of \$4,495,682. Each unit consists of one common share and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.25 per warrant share for a period of 36 months. Using the residual value method, the value assigned to the warrants attached to the units was \$nil. In connection with the private placement, the Company paid and granted to the Agent the following amounts:

- A commission equal to 8% of the gross proceeds, of which \$118,974 was paid in cash and 945,181 common shares with a fair value of \$160,681 were issued;
- Compensation warrants with a value of \$36,682 to purchase up to 619,649 common shares at \$0.25 until September 20, 2026;
- Agent warrants with a value of \$131,904 to purchase up to 1,645,027 units at \$0.17 until September 20, 2026;
- A corporate finance fee of \$100,000, of which \$50,000 was paid in cash and 294,118 common shares with a fair value of \$50,000 were issued; and,
- Reimbursement of \$90,100 for certain customary expenses incurred.

A \$30,000 retainer was returned to the Company in connection with the private placement.

On September 20, 2023, the Company issued 1,000,000 common shares at \$0.18 per share as consideration and 2,500,000 common shares at \$0.17 per share to the Agent in connection with the Acquisition (Note 3).

On September 27, 2023, 71,875 common shares were issued upon the vesting of 71,875 restricted share units (Note 8).

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8. OTHER RESERVES

The summary of the Company's other reserves is as follows:

	Stock options (a)	Restricted share units (b)	Warrants (c)	Other	Total
Balance at March 31, 2023	\$ 422,383	\$ 182,466	\$ 485,808	\$ 126,445	\$ 1,217,102
Share-based compensation	78,401	174,058			252,459
RSUs granted on acquisition of Purebread Bakery (Note 3)	-	94,918	-	-	94,918
Finder's warrants (Note 3)	-		91,537	-	91,537
Compensation warrants	-	-	36,682	-	36,682
Agent warrants	-	-	131,904	-	131,904
Share issuance costs	-	-	-	210,681	210,681
Exercise of options	(1,607)	-	-	-	(1,607)
Vested RSUs	-	(52,121)	-	-	(52,121)
Convertible debentures (Note 17)	-	-	-	309,792	309,792
Interest-free loans (Note 15)	-	-	-	33,372	33,372
Balance at March 31, 2024	\$ 499,177	\$ 399,321	\$ 745,931	\$ 680,290	\$ 2,324,719
Share-based compensation	41,682	87,627	-	-	129,309
Vested RSUs	-	(9,844)	-	-	(9,844)
Balance at September 30, 2024	\$ 540,859	\$ 477,104	\$ 745,931	\$ 680,290	\$ 2,444,184

a) Stock Options

The Company has established an Omnibus plan (the "Plan") whereby the Company's Board of Directors may from time to time grant stock options to employees and non-employees. Stock options under the Plan have been granted to directors, officers, consultants and certain employees of the Company. Stock options granted under the Plan will not have a term to exceed 10 years from the date of grant. The maximum number of shares that may be reserved for issuance under the Plan shall not exceed 10% of the Company's outstanding common shares. Vesting is determined by the Board of Directors.

The continuity of the Company's stock options is as follows:

	Number outstanding	Weighted average exercise price
Outstanding at March 31, 2023	4,150,000	\$ 0.29
Granted	2,180,000	0.17
Exercised	(28,125)	0.11
Forfeited	(746,875)	0.26
Outstanding at March 31, 2024	5,555,000	\$ 0.25
Exercisable at March 31, 2024	2,953,125	\$ 0.30
Forfeited	(361,250)	0.19
Outstanding at September 30, 2024	5,193,750	\$ 0.25
Exercisable at September 30, 2024	3,000,000	\$ 0.30

As at September 30, 2024, the Company had a total of 5,193,750 stock options outstanding under the Plan to certain directors, officers, consultants and employees of the Company. Each stock option entitles the holder to purchase one common share at an exercise price of \$0.11 to \$0.50 for a period of five years following the grant date.

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The weighted average exercise price per option granted in the six months ended September 30, 2024 and 2023 was \$nil as no options were granted. In determining the amount of share-based compensation, the Company used the Black Scholes Option Pricing model to establish the fair value of stock options granted during the six months ended September 30, 2024 and 2023 by applying the following weighted average assumptions:

	September 30, 2024	September 30, 2023
Risk-free interest rate	N/A	N/A
Expected life of options (years)	N/A	N/A
Expected annualized volatility	N/A	N/A
Expected dividend yield	N/A	N/A

Volatility was estimated by using the historical prices of comparable publicly-listed companies. The expected life in years represents the period of time that the stock options granted are expected to be outstanding. The risk-free rate was based on the zero-coupon Canada government bonds with a remaining term equal to the expected life of the stock option. The weighted average fair value of the options granted during the six months ended September 30, 2024 and 2023 was \$nil as no options were granted.

The number of options outstanding and exercisable under the Plan at September 30, 2024 is as follows:

Expiry date	Number of stock options outstanding	Exercise price	Number of stock options exercisable
March 25, 2026	1,375,000	\$ 0.30	1,375,000
March 25, 2026	100,000	0.50	100,000
August 1, 2026	25,000	0.30	25,000
August 11, 2026	450,000	0.30	450,000
August 16, 2026	50,000	0.30	50,000
October 14, 2026	75,000	0.30	56,250
December 1, 2026	75,000	0.30	56,250
January 1, 2027	275,000	0.40	275,000
March 11, 2027	300,000	0.40	150,000
August 15, 2027	400,000	0.21	400,000
February 6, 2028	250,000	0.11	62,500
December 7, 2028	1,725,000	0.17	-
February 8, 2029	93,750	0.17	-
Balance at March 31, 2024	5,193,750	\$ 0.25	3,000,000

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b) Restricted share units

As part of the Plan, the Company's Board of Directors may from time to time grant restricted share units (“RSUs”) to employees and non-employees. Once vested, each RSU represents the right to receive one common share of the Company, or a cash payment or a combination of cash and shares as determined by the Plan administrator in its discretion. The table below summarizes the Company’s RSU activity by date of grant, number of RSUs granted, RSU receiving party, RSU vesting schedule, RSU forfeiture details, and RSU vested and common shares issued details:

Date of Grant	# of RSUs Granted	RSU Receiving Party	RSU Vesting Schedule	RSU Forfeiture Details	RSUs Vested and Common Shares Issued Details
August 15, 2022	1,872,500	Consultants and Employees	- 1,510,000 RSUs vested on August 15, 2023 - 362,500 RSUs will vest in 4 equal installments over 4 years beginning August 15, 2023 - 46,875 RSUs vested subsequent to September 30, 2024 (Note 23)	- 462,500 RSUs forfeited during the year ended March 31, 2023 - 31,250 RSUs forfeited during the year ended March 31, 2024 - 68,750 RSUs forfeited during the six months ended September 30, 2024	1,181,875 RSUs vested during the year ended March 31, 2024 (174,375 common shares issued, 1,007,500 deferred)
November 1, 2022	62,500	Officer	62,500 RSUs vested on November 1, 2023	Nil	62,500 RSUs vested during the year ended March 31, 2024 (62,500 common shares issued)
December 1, 2022	165,000	Employees	- 63,750 RSUs vested on December 1, 2023 - 41,250 RSUs will vest on December 1, 2024 - 41,250 RSUs will vest on December 1, 2025 - 18,750 RSUs will vest on December 1, 2026	90,000 RSUs forfeited during the year ended March 31, 2023	18,750 RSUs vested during the year ended March 31, 2024 (18,750 common shares issued)
February 6, 2023	624,500	Directors, Employees, and Consultant	- 178,875 RSUs will vest on February 6, 2024 - 155,625 RSUs will vest on February 6, 2025 - 155,625 RSUs will vest on February 6, 2026 - 134,375 RSUs will vest on February 6, 2027	- 85,000 RSUs forfeited during the year ended March 31, 2023 - 259,375 RSUs forfeited during the year ended March 31, 2024	92,625 RSUs vested during the year ended March 31, 2024 (30,125 common shares issued, 62,500 deferred)
September 20, 2023 (Note 3)	1,000,000	Consultants	All RSUs will vest on September 20, 2024	Nil	1,000,000 RSUs vested during the six months ended September 30, 2024 (1,000,000 deferred)
December 7, 2023	1,125,000	Directors, Employees, and Consultants	- 475,000 RSUs will vest on December 7, 2024 - 325,000 RSUs will vest on December 7, 2025 - 325,000 RSUs will vest on December 7, 2026	75,000 RSUs forfeited during the year ended March 31, 2024	Remaining RSUs not yet vested
February 7, 2024	187,500	Directors	187,500 RSUs will vest in 3 equal installments over 3 years, beginning on February 8, 2025	93,750 RSUs forfeited during the six months ended September 30, 2024	Remaining RSUs not yet vested
March 1, 2024 (Note 15)	250,000	Consultant	250,000 RSUs will fully vest on March 1, 2025	Nil	Remaining RSUs not yet vested

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The continuity of the Company's RSUs is as follows:

	Number outstanding
Outstanding at March 31, 2023	2,087,000
Granted	2,562,500
Vested and shares issued	(285,750)
Forfeited	(365,625)
Outstanding at March 31, 2024	3,998,125
Vested and shares issued	(46,875)
Forfeited	(162,500)
Outstanding at September 30, 2024	3,788,750

The estimated fair value of the RSUs granted during the six months ended September 30, 2024 was \$nil (September 30, 2023 - \$180,000) and will be recognized as an expense over the vesting period of the RSUs. The fair value of the RSUs as at the grant date was determined with reference to the market value of the common shares of the Company at the grant date.

Total share-based compensation as a result of RSU grants during the six months ended September 30, 2024 was \$87,627 (September 30, 2023 – \$158,106).

c) Warrants

On September 20, 2023, the Company issued 2,500,000 Finder's Warrants in connection with the Acquisition (Note 3). Each Finder's Warrant entitles the holder to purchase one common share at an exercise price of \$0.40 until September 20, 2026.

The fair value of the warrants issued during the six months ended September 30, 2024 and 2023 was estimated using the Black Scholes Option Pricing model and the following weighted average assumptions:

	September 30, 2024	September 30, 2023
Risk-free interest rate	N/A	3.96%
Expected life of warrants (years)	N/A	3
Expected annualized volatility	N/A	59%
Expected dividend yield	N/A	Nil

The continuity of the Company's warrants is as follows:

	Number outstanding	Weighted average exercise price
Outstanding at March 31, 2023	1,399,519	\$ 0.30
Granted	17,987,266	0.26
Outstanding at March 31, 2024	19,386,785	\$ 0.27
Expired	(1,399,519)	0.30
Outstanding at September 30, 2024	17,987,266	\$ 0.26

The number of warrants outstanding and exercisable as at September 30, 2024 is as follows:

	Issued	Outstanding	Exercise price	Expiry date
Compensation Warrants	619,649	619,649	\$ 0.25	September 20, 2026
Private Placement Warrants	13,222,590	13,222,590	0.25	September 20, 2026

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Finder's Warrants	2,500,000	2,500,000	0.40	September 20, 2026
Agent Warrants	1,645,027	1,645,027	0.17	September 20, 2026
Balance at September 30, 2024	17,987,266	17,987,266	\$ 0.26	

9. BASIC AND DILUTED NET LOSS PER SHARE

	September 30, 2024	September 30, 2023
Basic and diluted net loss per share	\$ (0.03)	\$ (0.03)
- Losses used in calculation of net loss per share	\$ (2,972,706)	\$ (2,898,102)
- Weighted average number of common shares used as the denominator in calculating basic and diluted net loss per share	115,793,136	85,990,683

The Company's stock options, RSUS, and warrants were excluded from the determination of diluted loss per share because the effect is anti-dilutive.

10. CAPITAL DISCLOSURES

As at September 30, 2024, the Company's capital structure is comprised of shareholders' equity (deficit), other loans, convertible debentures, Term Facility and vendor take-back note totaling \$7,591,270. As at March 31, 2024, the Company's capital structure is comprised of shareholders' equity (deficit), other loans, convertible debentures, Term Facility and vendor take-back note totaling \$9,698,502. The Company's financial strategy is designed and formulated to maintain a flexible capital structure to allow for the ability to respond to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objectives, when managing its capital, are to maintain adequate levels of funding to support the operations of the Company and to maintain corporate and administrative functions.

The capital structure of the Company is managed to provide sufficient funding for operating activities. Funds are primarily secured through a combination of equity capital raises and debt. The Company's financing and refinancing decisions are made on a specific transaction basis and depend on factors such as its needs, market and economic conditions at the time of transaction. There were no changes in the Company's approach to capital management during the period. The Company is exposed to externally imposed capital requirements from its Term Facility (Note 19).

11. FINANCIAL RISK MANAGEMENT

The Company is exposed to certain financial risks as listed below. There has been no change in the exposure to risk, nor its objectives, policies and process for managing the risk in the six months ended September 30, 2024. Disclosures relating to exposure to risks, in particular credit risk, liquidity risk and interest rate risk are provided below.

Credit risk

Credit risk is the risk of unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's financial instruments that are exposed to concentrations of credit risk are primarily cash and receivables. The Company limits its exposure to credit risk with respect to cash by depositing available cash with major regulated financial institutions. The Company's cash is not subject to any external restrictions.

As at September 30, 2024, the Company's receivables were all current. The Company mitigates the risk by performing ongoing credit evaluation of its customers' financial condition. The Company monitors collectability of

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receivables on an ongoing basis to determine credit risk. As at September 30, 2024 and March 31, 2024, the Company has \$nil in allowance for doubtful accounts.

Liquidity risk

As at September 30, 2024, the Company had bank indebtedness of \$128,078 and other current liabilities of \$18,404,111. The Company expects to finance its operating expenses through cash flow from operations, debt as well as equity financing.

The estimated cash payments due in respect of contractual and legal obligations including debt and interest payments are summarized as follows:

	Maturity			Total
	Within 1 year	1-5 years	Greater than 5 years	
Bank indebtedness	\$ 195,302	\$ -	\$ -	\$ 195,302
Trade payable and accrued liabilities	5,672,931	-	-	5,672,931
Customer deposits	331,572	-	-	331,572
Equipment deposit	399,908	-	-	399,908
Lease obligation	2,058,122	7,689,340	8,489,486	18,236,948
Loans from shareholders	69,030	-	-	69,030
Other loans	5,250,924	275,795	-	5,526,719
Promissory notes	614,100	-	-	614,100
Convertible debentures	-	1,966,728	-	1,966,728
Term Facility	4,745,020	-	-	4,745,020
Vendor take-back note	-	1,500,000	-	1,500,000
	\$ 19,336,909	\$ 11,431,836	\$ 8,489,486	\$ 39,258,258

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company continuously monitors interest rates and economic conditions. At September 30, 2024, the Company is exposed to interest rate risk regarding its variable rate loans (Notes 15 and 19) with outstanding balances totaling \$6,417,912. A 1% change in the interest rate on the loans would have a pre-tax impact of \$64,179 on net loss and comprehensive loss for the period.

12. RELATED PARTY TRANSACTIONS

a. Loans from shareholders

- As at September 30, 2024, the Company had amounts due to the Company's CEO of \$nil (March 31, 2024 – \$3,380), of which \$33,333 is due from the CEO and included in loans from shareholders, and \$33,333 is due to the CEO for unpaid salaries and included in trade payables and accrued liabilities. The loans are unsecured, non-interest bearing and due on demand.
- As at September 30, 2024, the Company had amounts due to the Company's COO and a company controlled by the COO of \$137,865 (March 31, 2024 - \$81,932), of which \$91,615 is due to the COO and included in loans from shareholders, and \$46,250 is due to the COO for unpaid salaries and included in trade payables and accrued liabilities. The loans are unsecured, non-interest bearing and due on demand.
- As at September 30, 2024, the Company had amounts due to the Company's CMO of \$38,498 (March 31, 2024 - \$24,000), of which \$10,748 is due to the CMO and included in loans from

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shareholders, and \$27,750 is due to the CMO for unpaid salaries and included in trade payables and accrued liabilities. The loans are unsecured, non-interest bearing and due on demand.

b. Key management compensation

For the six months ended September 30, 2024, the Company recorded \$243,875 (September 30, 2023 - \$235,000) in key management compensation to the Company's CEO, COO, CFO, and CMO.

c. Share-based compensation to related parties

As at September 30, 2024, 1,293,750 stock options granted to the Company's directors were outstanding. Each stock option entitles the holder to purchase one common share at an exercise price between \$0.11 and \$0.50 for a period of five years following the grant date. The fair value of the options granted totaled \$169,652 (September 30, 2023 - \$104,387) of which \$22,404 was recognized as share-based compensation during the six months ended September 30, 2024 (September 30, 2023 - \$12,299).

13. CUSTOMER DEPOSITS

At inception of a contract, a commissary customer is required to pay a deposit. One-half of each deposit is applied to the first month rent of the term; and the remainder of the deposit is kept as security for the underlying contract and is refundable at the end of the term. The contracts are short-term and as such, the deposits are classified as a current liability. Details are as follows:

	September 30, 2024	March 31, 2024
Opening Balance	\$ 346,195	\$ 206,119
Additions (net of refunds)	(14,623)	140,076
Closing balance	\$ 331,572	\$ 346,195

14. EQUIPMENT DEPOSIT

On September 1, 2023, the Company entered into a facilities management agreement (the "Agreement") with Sodexo Canada ("Sodexo"). Under the Agreement, Sodexo will provide the Company with facilities management services for a period of five years, terminating on August 31, 2028. As part of the "Agreement", Sodexo paid the Company an equipment deposit of \$399,908, to be applied against equipment purchases at the Company's Richmond, BC facility. During the six months ended September 30, 2024, the Company did not make any equipment purchases at its Richmond, BC facility. As at September 30, 2024, the balance on the equipment deposit is \$399,908 (March 31, 2024 - \$399,908).

15. OTHER LOANS

The table and references below summarize the Company's other loan balances and key terms as at September 30, 2024 and March 31, 2024:

Loan Ref.	Balance as at September 30, 2024	Balance as at March 31, 2024
a.	46,248	95,093
b.	120,000	120,000
c.	304,528	284,478
d.	1,193,585	1,089,557

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e.	64,800	64,800
f.	89,221	89,221
g.	524,706	503,278
h.	53,659	53,659
i.	713,307	524,122
j.	38,804	23,211
k.	239,958	246,575
l.	515,000	515,000
m.	400,000	426,195
n.	57,512	101,250
o.	-	60,493
p.	252,500	256,250
q.	41,984	-
r.	181,521	-
s.	19,226	-
t.	475,000	-
u.	124,815	-
v.	70,345	-
	\$ 5,526,719	\$ 4,453,182
Current portion	\$ (5,250,924)	\$ (4,197,438)
Non-current portion	\$ 275,795	\$ 255,744

- a. On February 5, 2020, the Company entered into a loan agreement with the Business Development Bank of Canada (“BDC”) to borrow up to \$200,000 with a maturity date of November 23, 2026. The loan carries a base interest rate of 10.90% plus the BDC’s floating rate which was deemed to be 6.05% at the time of issuance. During the six months ended September 30, 2024, the Company recorded \$4,905 (September 30, 2023 - \$11,864) in interest expense in connection to the loan and repaid \$53,750 (September 30, 2023 - \$28,630). As at March 31, 2024, the remaining balance due is \$46,248 (March 31, 2024 - \$95,093).
- b. During the year ended December 31, 2020, under the Canada Emergency Business Account (“CEBA”) program, the Company received \$180,000 in loans (the “CEBA Loans”). The CEBA Loans are interest-free loans, available to the Company until January 18, 2024. \$60,000 of the loans are forgivable if repayment is made on or before March 31, 2024. During the year ended December 31, 2020 the Company recognized \$60,000 as other income in relation to the forgivable portion of the loans. No interest expense was recorded on the CEBA Loans during the six months ended September 30, 2024 and 2023. As at September 30, 2024, the remaining balance due is \$120,000 (March 31, 2024 - \$120,000).
- c. On January 1, 2022, the Company borrowed \$500,000 from consultants, acting at arm’s length. The loans are unsecured and non-interest bearing. The loans are repayable on an annual basis commencing January 10, 2023, and due on January 10, 2027. In the event of a default, a 7% interest rate will apply to the outstanding loan balance. In lieu of interest payments, the consultants received 250,000 stock options. Each stock option entitles the holder to purchase one common share at an exercise price of \$0.40 for a period of five years following the grant date. The Company recorded the debt at its fair value using a rate of 15% and the residual was allocated to the value of the stock options and recorded to Other Reserves. During the six months ended September 30, 2024, the Company repaid \$nil of the loans (September 30, 2023 - \$nil). As at September 30, 2024, the carrying value of the loans outstanding was \$304,528 (March 31, 2024 - \$284,478). During the six months ended September 30, 2024, the Company recorded \$20,050 (September 30, 2023 - \$21,164) in accretion expense in connection to the non-interest bearing loans.

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- d. On May 13, 2022, the Company entered into a loan agreement to borrow up to \$1,300,000 (the “Facility”). On May 27, 2022, \$754,920 of the Facility was used to repay the Company’s Vancity Credit Facilities of \$627,424 and operating loan of \$127,496. Coho has the right to repay the Facility at any time before the maturity date, without notice, bonus or penalty. The Facility carries an interest rate of prime +3.00% per annum (compounded monthly, not in advance) and has a term of 18 months. Interest is paid monthly through the interest reserve of \$120,900 that is retained by the provider. On July 11, 2023, an additional \$288,308 was disbursed to the Company under the Facility. The Facility is guaranteed by certain subsidiaries of the Company and also guaranteed personally by the Company’s CEO, COO and CMO. In the event of a default, an interest rate of 18% per annum will apply to the Facility. During the six months ended September 30, 2024, the Company recorded \$104,028 (September 30, 2023 - \$40,300) in interest expense in connection to the Facility. During the six months ended September 30, 2024, the Company repaid a total of \$nil of the Facility (September 30, 2023 - \$nil). As at September 30, 2024, the remaining balance due was \$1,193,585 (March 31, 2024 - \$1,089,557).
- e. On October 31, 2022, the Company borrowed \$60,000 from a lender, acting at arm’s length. The loan bears interest at a rate of 8% per annum and is unsecured. During the six months ended September 30, 2024, the Company recorded \$nil (September 30, 2023 - \$2,407) in interest expense in connection to the loan. As at September 30, 2024, the remaining balance due was \$64,800 (March 31, 2024 - \$64,800).
- f. On July 28, 2023, the Company borrowed \$173,400 from a lender, acting at arm’s length. The loan is unsecured and a loan fee of \$20,808 was applied to the principal amount. The loan is repaid daily with 20% of the Company’s retail revenue and is due on January 28, 2025. During six months ended September 30, 2024, the Company repaid \$nil of the loan (September 30, 2023 - \$55,653). As at September 30, 2024, the remaining balance due was \$89,221 (March 31, 2024 - \$89,221).
- g. On August 11, 2023, the Company borrowed \$500,000 from a lender, acting at arm’s length. The loan bears interest at a rate of 10% per annum, unsecured, and has a maturity date of November 15, 2023. On November 27, 2023, the maturity date was extended to May 1, 2025. During the six months ended September 30, 2024, the Company recorded \$25,675 (September 30, 2023 - \$6,849) in interest expense in connection to the loan. During the six months ended September 30, 2024, the Company repaid \$4,247 of the loan (September 30, 2023 - \$nil). As at September 30, 2024, the remaining balance due was \$524,706 (March 31, 2024 - \$503,278).
- h. On September 20, 2023, in connection to the Acquisition (Note 3), the Company assumed a loan with an outstanding amount of \$61,609 related to the purchase of a delivery vehicle. The loan commenced on May 22, 2022 with a term of 60 months, interest rate at 5% per annum, and repayments paid monthly. The loan is secured against the delivery vehicle. During the six months ended September 30, 2024, the Company recorded \$nil (September 30, 2023 - \$nil) in interest expense in connection to the loan. During the six months ended September 30, 2024, the Company repaid \$nil of the loan (September 30, 2023 - \$nil). As at September 30, 2024, the remaining balance due was \$53,659 (March 31, 2024 - \$53,659).
- i. On November 8, 2023, the Company borrowed \$500,000 from a lender, acting at arm’s length. The loan is unsecured, bears interest at a rate of 12% per annum (compounded monthly), and has a term of 18 months. An additional \$150,000 and \$150,000 on April 30, 2024 and May 31, 2024, respectively, were advanced to the Company. During the six months ended September 30, 2024, the Company recorded \$39,185 (September 30, 2023 - \$nil) in interest expense in connection to the loan. During the six months ended

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September 30, 2024, the Company repaid \$150,000 of the loan (September 30, 2023 - \$nil). As at September 30, 2024, the remaining balance due was \$713,307 (March 31, 2024 - \$524,122).

- j. On December 20, 2023, the Company borrowed \$34,000 from a lender, acting at arm's length. The loan is unsecured and a loan fee of \$4,420 was applied to the principal amount. The loan is repaid daily with 17% of the Company's revenue generated from its e-commerce platform. On May 28, 2024, an additional \$46,000 was advanced to the Company. During the six months ended September 30, 2024, the Company repaid \$30,407 of the loan (September 30, 2023 - \$nil). As at September 30, 2024, the remaining balance due was \$38,804 (March 31, 2024 - \$23,211).
- k. On December 22, 2023, the Company borrowed \$240,000 from a lender, acting at arm's length. The loan is unsecured, bears interest at a rate of 10% per annum, and has a term of 18 months. During the six months ended September 30, 2024, the Company recorded \$12,033 (September 30, 2023 - \$nil) in interest expense in connection to the loan. During the six months ended September 30, 2024, the Company repaid \$18,650 of the loan (September 30, 2023 - \$nil). As at September 30, 2024, the remaining balance due was \$239,958 (March 31, 2024 - \$246,575).
- l. On December 22, 2023, the Company borrowed \$500,000 from a lender, acting at arm's length. The loan is secured against common shares issued to the Company's CEO and COO, and bears interest at a rate of 3% per month. During the six months ended September 30, 2024, the Company recorded \$90,000 (September 30, 2023 - \$nil) in interest expense in connection to the loan. During the six months ended September 30, 2024, the Company repaid \$90,000 of the loan (September 30, 2023 - \$nil). As at September 30, 2024, the remaining balance due was \$515,000 (March 31, 2024 - \$515,000).
- m. On February 7, 2024, the Company borrowed \$450,000 from a lender, acting at arm's length. The loan is unsecured, non-interest bearing, and is due on May 7, 2024. In the event of a default, a monthly payment of \$15,000 will apply, in addition to the issuance of 167,000 common shares. The Company recorded the debt at its fair value of \$416,628 using a rate of 14.55% and the residual of \$33,372 was allocated to the value of the interest-free portion and recorded to Other Reserves. During the six months ended September 30, 2024, the Company repaid \$50,000 of the loans (September 30, 2023 - \$nil). As at September 30, 2024, the carrying value of the loans outstanding was \$400,000 (March 31, 2024 - \$426,195). During the six months ended September 30, 2024, the Company recorded \$23,805 (September 30, 2023 - \$nil) in accretion expense in connection to the non-interest bearing loans.
- n. On February 23, 2024, the Company borrowed \$100,000 from lenders, acting at arm's length. The loan is unsecured, bears interest at a rate of 10% per annum, and has a term of 12 months. During the six months ended September 30, 2024, the Company recorded \$7,500 (September 30, 2023 - \$nil) in interest expense in connection to the loan. During the six months ended September 30, 2024, the Company repaid \$51,238 of the loan (September 30, 2023 - \$nil). As at September 30, 2024, the remaining balance due was \$57,512 (March 31, 2024 - \$101,250).
- o. On March 1, 2024, the Company borrowed \$60,000 from a lender, acting at arm's length. The loan was unsecured, bore interest at a rate of 10% per annum, and had a term of one month. During the six months ended September 30, 2024, the Company recorded \$nil (September 30, 2023 - \$nil) in interest expense in connection to the loan. During the six months ended September 30, 2024, the Company repaid the loan in full, totaling \$60,493 (September 30, 2023 - \$nil). As at September 30, 2024, the remaining balance due was \$nil (March 31, 2021 - \$60,493).

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- p. On March 1, 2024, the Company borrowed \$250,000 from a lender, acting at arm's length. The loan is unsecured, bears interest at a rate of 12% per annum, and has a maturity date of November 1, 2024. In connection with the loan, the Company granted 250,000 RSUs to the lender which will fully vest on March 1, 2025 (Note 8). During the six months ended September 30, 2024, the Company recorded \$15,000 (September 30, 2023 - \$nil) in interest expense in connection to the loan. During the six months ended September 30, 2024, the Company repaid \$18,750 of the loan (September 30, 2023 - \$nil). As at September 30, 2024, the remaining balance due was \$252,500 (March 31, 2024 - \$256,250).
- q. On April 2, 2024, the Company borrowed \$40,000 from a lender, acting at arm's length. The loan bears interest at a rate of 10% per annum, is unsecured, and has a maturity date of April 1, 2025. During the six months ended September 30, 2024, the Company recorded \$1,984 (September 30, 2023 - \$nil) in interest expense in connection to the loan. During the six months ended September 30, 2024, the Company repaid \$nil (September 30, 2023 - \$nil) of the loan. As at September 30, 2024, the remaining balance due was \$41,984 (March 31, 2024 - \$nil).
- r. On May 9, 2024, the Company borrowed \$125,000 from a lender, acting at arm's length. On June 6, 2024, the Company borrowed an additional \$50,000 from this lender. The loan bears interest at a rate of 10% per annum, is unsecured, and has a maturity date of May 8, 2025. During the six months ended September 30, 2024, the Company recorded \$6,521 (September 30, 2023 - \$nil) in interest expense in connection to the loan. During the six months ended September 30, 2024, the Company repaid \$nil (September 30, 2023 - \$nil) of the loan. As at September 30, 2024, the remaining balance due was \$181,521 (March 31, 2024 - \$nil).
- s. On May 9, 2024, the Company borrowed \$50,000 from a lender, acting at arm's length. An additional \$50,000, \$50,000, \$120,000, \$85,000, and \$100,000 on May 22, 2024, May 31, 2024, June 7, 2024, July 18, 2024 and August 19, 2024, respectively, were advanced to the Company. The loan bears interest at a rate of 4% per month, is unsecured, and has a maturity date of December 2, 2024. During the six months ended September 30, 2024, the Company recorded \$3,226 (September 30, 2023 - \$nil) in interest expense in connection to the loan. During the six months ended September 30, 2024, the Company repaid \$439,000 (September 30, 2023 - \$nil) of the loan. As at September 30, 2024, the remaining balance due was \$19,226 (March 31, 2024 - \$nil).
- t. On June 17, 2024, the Company borrowed \$500,000 from a lender, acting at arm's length. The loan is unsecured and non-interest bearing. In the event of a default, a monthly payment of \$12,500 will apply to the outstanding loan balance. During the six months ended September 30, 2024, the Company repaid \$25,000 of the loan (September 30, 2023 - \$nil). As at September 30, 2024, the carrying value of the loan outstanding was \$475,000 (March 31, 2024 - \$nil). During the six months ended September 30, 2024, the Company recorded \$nil (September 30, 2023 - \$nil) in accretion expense in connection to the non-interest bearing loan.
- u. On June 19, 2024, the Company borrowed \$150,000 from a lender, acting at arm's length. On August 26, 2024, the Company borrowed an additional \$116,191 from this lender. The loan requires a daily payment of \$2,895 for a period of 120 days and is secured against the Company's future receivables. During the six months ended September 30, 2024, the Company recorded \$nil (September 30, 2023 - \$nil) in interest expense in connection to the loan. During the six months ended September 30, 2024, the Company repaid \$141,376 (September 30, 2023 - \$nil) of the loan. As at September 30, 2024, the remaining balance due was \$124,815 (March 31, 2024 - \$nil).

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- v. On September 12, 2024, the Company borrowed \$70,000 from a lender, acting at arm's length. The loan is unsecured, bears interest at a rate of 10% per annum, and has a term of 2 months. During the six months ended September 30, 2024, the Company recorded \$345 (September 30, 2023 - \$nil) in interest expense in connection to the loan. During the six months ended September 30, 2024, the Company repaid \$nil of the loan (September 30, 2023 - \$nil). As at September 30, 2024, the remaining balance due was \$70,345 (March 31, 2024 - \$nil).

16. PROMISSORY NOTES

On January 31, 2024, the Company borrowed a total of \$500,000 via promissory notes from two lenders, acting at arm's length. The promissory notes are secured against common shares issued to the Company's CEO and COO, bears interest at a rate of 36% per annum, and has a maturity date of April 1, 2024. On July 23, 2024, the maturity date of the promissory notes were extended to September 1, 2024.

On April 2, 2024, the Company borrowed \$100,000 from a lender, acting at arm's length. The promissory note is guaranteed personally by the Company's CEO and COO, bears interest at a rate of prime plus 5% per annum, and has a maturity date of September 2, 2024.

During the six months ended September 30, 2024, the Company recorded \$96,100 (September 30, 2023 - \$nil) in interest expense in connection to the promissory notes. During the six months ended September 30, 2024, the Company repaid \$115,000 of the promissory notes (September 30, 2023 - \$nil). As at September 30, 2024, the remaining balance due is \$614,100 (March 31, 2024 - \$533,000).

17. CONVERTIBLE DEBENTURES

On May 24, 2023, the Company completed a non-brokered private placement for gross proceeds of \$1,650,000 (the "Offering"). The Offering was a non-brokered private placement of 1,650 convertible debentures of the Company (the "CAD Convertible Debentures"), at a price of \$1,000 per CAD Convertible Debenture, for gross proceeds of \$1,650,000. There were no finder, broker, or agent fees payable by the Company in connection with the Offering. The CAD Convertible Debentures bear interest at a rate of 8% per annum, calculated and payable semi-annually in arrears, commencing on June 30, 2023. The CAD Convertible Debentures will mature on March 31, 2026. The principal amount of each CAD Convertible Debenture will be convertible into common shares of the Company at a price of \$0.15 per common share at the option of the holder thereof. At the election of the Company, all interest accrued on the CAD Convertible Debentures may be payable in cash or, subject to approval by the TSXV, common shares issued at the market price (as such term as defined in the policies of the TSXV) at the time of any such settlement.

For accounting purposes, the CAD Convertible Debentures are separated into their liability and equity components by first valuing the liability component. The fair value of the liability component at the time of issue of \$1,340,208, was calculated as the discounted cash flows for the CAD Convertible Debentures assuming a 16.14% discount rate, which was the estimated rate for a similar debenture without a conversion feature. The fair value of the equity component (conversion feature) was determined at the time of issue as the difference between the face value of the CAD Convertible Debentures and the fair value of the liability component, being \$309,792. The liability component will be accreted over the life of the CAD Convertible Debentures. During the six months ended September 30, 2024, the Company recorded interest expense of \$66,181 (September 30, 2023 - \$52,067) and accretion expense of \$117,277 (September 30, 2023 - \$9,889) in connection to the CAD Convertible Debentures. As at September 30, 2024, the remaining balance due is \$1,470,137 (March 31, 2024 - \$1,419,041). As at September 30, 2024, interest payable on the CAD Convertible Debentures is \$180,100 (March 31, 2024 - \$113,919) and recorded in trade payables and accrued liabilities.

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On December 22, 2023, the Company issued convertible debentures for gross proceeds of \$530,223 (\$400,000 USD) (the “USD Convertible Debentures”). The USD Convertible Debentures bear interest at a rate of 10.5% per annum, calculated and payable quarterly in arrears, commencing on March 22, 2024. The USD Convertible Debentures will mature on December 22, 2025. The principal amount of each USD Convertible Debenture will be convertible into common shares of the Company at a price of \$0.25 per common share at the option of the holder thereof. At the election of the Company, all interest accrued on the USD Convertible Debentures may be payable in cash or, subject to approval by the TSXV, common shares equal to the 20-day volume weighted average price of the Company’s common shares for the 20 trading days prior to the payment date of the interest payment.

On issuance, the Company determined the conversion feature of the USD Convertible Debentures was a derivative liability of \$64,578 (Note 18), with the residual of \$465,644 being allocated to the liability component. The liability component will be accreted over the life of the USD Convertible Debentures. During the six months ended September 30, 2024, the Company recorded interest expense of \$27,666 (September 30, 2023 - \$nil), accretion expense of \$42,249 (September 30, 2023 - \$nil), and a foreign exchange translation gain of \$1,131 (September 30, 2023 - \$nil) in connection to the USD Convertible Debentures. As at September 30, 2024, the remaining balance due is \$496,591 (March 31, 2024 - \$483,139). As at September 30, 2024, interest payable on the USD Convertible Debentures is \$43,486 (March 31, 2024 - \$15,820) and recorded in trade payables and accrued liabilities.

18. DERIVATIVE LIABILITY

The following table reflects the continuity of derivative liability from March 31, 2023 to September 30, 2024:

Balance as at March 31, 2023	\$ -
On acquisition – December 22, 2023 (Note 17)	64,578
Balance as at March 31, 2024 and September 30, 2024	\$ 64,578

There were no changes in the fair value of the derivative liability as at March 31, 2024 and September 30, 2024.

19. TERM FACILITY

On September 20, 2023, the Company entered into a letter of agreement with the Bank of Montreal (“BMO” or the “Lender”), setting out the terms under which BMO provided a senior secured \$5,500,000 non-revolving term facility (the “Term Facility”) to the Company and is repayable on demand. The Term Facility was used to finance a portion of the cash consideration of the Acquisition (Note 3). The Term Facility is secured by a first ranking security interest over all present and after-acquired personal property of Coho Acquisition Corp., which holds all of the issued and outstanding shares of Purebread Bakery. The Term Facility amortizes over an 84-month period, with repayments on a monthly basis. Monthly principal repayments are calculated as a percentage of the original loan amount, based on the following payment schedule:

- Years 1 to 3 – 12.0% annually plus applicable interest and mandatory repayments
- Years 4 to 5 – 15.0% annually plus applicable interest and mandatory repayments
- Year 6 – 16.0% annually plus applicable interest and mandatory repayments
- Year 7 – 18.0% annually plus applicable interest and mandatory repayments

Interest on the Term Facility is payable monthly in arrears and the interest rate is determined by the ratio of the Company’s total funded debt (“TFD”) to earnings before interest, taxes, depreciation and amortization (“EBITDA”). At the end of each reporting quarter, the TFD to EBITDA ratio is calculated and agreed upon by the Company and BMO, and the applicable interest rate is determined by an interest rate grid. The interest rate grid is divided into predetermined ranges of the TFD to EBITDA ratio, and provides the applicable interest rate on the Term Facility,

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calculated as prime plus a margin for the corresponding predetermined range. The interest rate does not exceed BMO prime plus 2.0%.

The Term Facility is subject to a cash flow sweep whereby mandatory repayments are required on an annual basis, calculated as a percentage of free cash flow after debt repayment at the end of each fiscal year. The cash flow sweep remains in effect unless the Company's TFD to EBITDA ratio is reduced to 2.5:1.0 or below.

During the six months ended September 30, 2024, the Company recorded \$206,366 (September 30, 2023 - \$nil) in interest expense in connection to the Term Facility, repaid interest of \$215,429 (September 30, 2023 - \$nil), and repaid principal of \$392,857 (September 30, 2023 - \$nil). As at September 30, 2024, the remaining balance due is \$4,745,020 (March 31, 2024 - \$5,146,940).

20. VENDOR TAKE-BACK NOTE

On September 20, 2023, the Company entered into a vendor take-back agreement (the "VTB") to finance a portion of the cash consideration of the Acquisition (Note 3), whereby the Company became indebted to the vendors of Purebread Bakery in the principal sum of \$1,500,000. The VTB is subordinated to the BMO Term Facility and has a maturity date of September 20, 2025. Commencing on September 21, 2023, the VTB bears interest computed on the outstanding daily principal balance of the VTB, payable quarterly, at the rate of:

- a. 10% per annum for 12 months up to September 20, 2024;
- b. 15% per annum for six months up to March 20, 2025; and
- c. 20% per annum for six months up to September 20, 2025.

During the six months ended September 30, 2024, the Company recorded \$75,000 (September 30, 2023 - \$4,167) in interest expense in connection to the VTB and repaid interest of \$75,000 (September 30, 2023 - \$4,167). As at September 30, 2024, the remaining balance due was \$1,500,000 (March 31, 2024 - \$1,500,000).

21. INCOME TAXES

Income tax expense is recognized at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognized in full in the interim period. As such, the effective tax rate in the condensed consolidated interim financial statements may differ from management's estimate of the effective tax rate for the consolidated annual financial statements.

The Company's consolidated effective tax rate in respect of continuing operations for the six months September 30, 2024 was 27% (September 30, 2023 – 27%).

22. SEGMENTED INFORMATION

For management purposes, the Company is organized into operating segments based on its products and services. Two operating segments have been identified. These segments have been aggregated into two reportable segments: rental and retail. The rental segment includes revenue generated from renting out commercial kitchen spaces and providing associated business support services to food entrepreneurs and companies. The retail segment includes revenue generated from the sale of baked goods and other food items at the Company's Purebread Bakery locations.

The Company monitors the results of its operating segments separately for making decisions about resource allocation and performance assessment. Segment performance is evaluated on a number of measures, the most significant being revenue, gross profit and net loss and comprehensive loss. Information for the Company's segments for the three and

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six months ended September 30, 2024, including the reconciliation to net loss and comprehensive loss, is provided in the following tables:

For the three months ended September 30, 2024

	Rental	Retail	Corporate	Total
REVENUE	\$ 744,773	\$ 3,958,524	\$ -	\$ 4,703,297
COST OF SALES	-	1,711,128	-	1,711,128
GROSS PROFIT	744,773	2,247,396	-	2,992,169
OPERATING EXPENSES				
Advertising and promotion	-	4,437	621	5,058
Amortization	319,697	265,531	9,204	594,432
Accretion	-	-	101,053	101,053
Interest	172,169	230,582	320,298	723,049
Occupancy cost	406,102	279,807	2,149	688,058
Office and miscellaneous	51,352	82,817	5,184	139,353
Professional fees	-	52,702	347,769	400,471
Salaries and benefits	51,812	861,298	194,062	1,107,172
Share-based compensation	-	-	59,409	59,409
Subcontractor	829	56,874	2,555	60,258
Supplies	76,211	100,042	4,553	180,806
TOTAL OPERATING EXPENSES	1,078,172	1,934,090	1,046,857	4,059,119
NET LOSS AND COMPREHENSIVE LOSS	\$ (333,399)	\$ 313,306	\$ (1,046,857)	\$ (1,066,950)

For the six months ended September 30, 2024

	Rental	Retail	Corporate	Total
REVENUE	\$ 1,498,290	\$ 7,240,724	\$ -	\$ 8,739,014
COST OF SALES	-	3,288,823	-	3,288,823
GROSS PROFIT	1,498,290	3,951,901	-	5,450,191
OPERATING EXPENSES				
Advertising and promotion	288	6,064	2,557	8,909
Amortization	649,777	442,039	25,757	1,117,573
Accretion	-	-	203,381	203,381
Interest	357,079	435,843	642,068	1,434,990
Occupancy cost	1,028,353	638,905	4,214	1,671,472
Office and miscellaneous	104,291	167,009	31,626	302,926
Professional fees	-	100,313	674,283	774,596
Salaries and benefits	114,313	1,847,966	417,374	2,379,653
Share-based compensation	-	-	129,309	129,309
Subcontractor	1,331	83,010	5,899	90,240
Supplies	138,533	158,693	12,622	309,848
TOTAL OPERATING EXPENSES	2,393,965	3,879,842	2,149,090	8,422,897
NET LOSS AND COMPREHENSIVE LOSS	\$ (895,675)	\$ 72,059	\$ (2,149,090)	\$ (2,972,706)

23. SUBSEQUENT EVENTS

- a. On November 29, 2024, the Company announced the cancellation of three locations related to its “Coho Commissary” line of shared kitchens. The first two shared kitchen locations being impacted are in Vancouver, British Columbia, one on Pandora Street (the “Pandora Location”) and the other on East Hastings Street (the

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For the three and six months ended September 30, 2024 and 2023

(Unaudited – Expressed in Canadian Dollars)

“Hastings Location”). The third cancellation relates to a shared kitchen in Victoria, British Columbia, located within the Victoria Public Market (the “VPM Location”). The Pandora Location and Hastings Location will revert back to their respective landlords in accordance with agreed upon terms with the landlords of the Pandora Location, Hastings Location, and the relevant customers. The VPM Location will close on January 1, 2025.