



SIMPLY
S#LVENTLESS
CONCENTRATES

Condensed Interim Consolidated Financial Statements
For the Nine Months Ended September 30, 2025 and 2024
(In Canadian Dollars - Unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

These unaudited condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards (“IAS”) 34 ‘Interim Financial Reporting’ (“IAS 34”) using accounting policies consistent with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying unaudited condensed interim consolidated financial statements of Simply Solventless Concentrates Ltd. have been prepared by and are the responsibility of the Company’s management. The unaudited condensed interim consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada (these statements are prepared under International Financial Reporting Standards (IFRS)) and reflect management’s best estimates and judgment based on information currently available. The Company’s independent auditor has not performed a review of these condensed interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity’s auditor.

SIMPLY SOLVENTLESS CONCENTRATES LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at, <i>(Expressed in Canadian Dollars - Unaudited)</i>	Notes	September 30, 2025	December 31, 2024
Assets			
Current assets			
Cash and cash equivalents		899,509	1,885,074
Accounts receivable	4	7,271,914	3,934,569
Biological assets	5	1,011,778	-
Inventory	6	22,174,626	16,096,187
Prepays and deposits	7	1,423,956	1,385,115
Total Current Assets		32,781,783	23,300,945
Property and equipment	8	9,064,968	1,607,753
Right-of-use assets	9	6,290,213	1,868,190
Intangible assets	10	12,123,107	11,837,077
Total Assets		60,260,071	38,613,965
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	4	4,415,431	4,561,742
Deferred revenue		-	228,009
Taxes and excise duty payable	4	4,046,460	7,380,713
Short term loan		852,027	653,533
Current portion of promissory note	12	1,750,442	7,426,404
Vendor take back		400,000	950,000
Current portion of lease liabilities	9	1,492,858	474,412
Total Current Liabilities		12,957,218	21,674,813
Long-term lease liabilities	9	5,012,479	1,480,685
Taxes and excise duty – non-current	4	4,140,000	-
Convertible debt	11	5,483,443	-
Promissory note	12	726,586	-
Total liabilities		28,319,726	23,155,498
Shareholders' Equity			
Share capital	13	25,732,080	22,372,746
Contributed surplus	13	2,931,506	1,318,236
Retained earnings (deficit)		3,276,759	(8,232,515)
Total Equity		31,940,345	15,458,467
Total Liabilities and Equity		60,260,071	38,613,965

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

Approved on behalf of the board:

"Olen Vanderleeden"

Signed: Olen Vanderleeden

"Bill Macdonald"

Signed: Bill Macdonald

SIMPLY SOLVENTLESS CONCENTRATES LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(Expressed in Canadian dollars - Unaudited)

	Notes	Three months ended		Nine months ended	
		September 30, 2025	September 30, 2024 (Note 23)	September 30, 2025	September 30, 2024 (Note 23)
Gross revenue		9,029,176	6,303,514	34,478,631	11,540,702
Less: Excise taxes		(2,683,125)	(2,226,719)	(7,298,117)	(4,381,135)
Net revenue		6,346,051	4,076,795	27,180,514	7,159,567
Cost of goods sold		(3,367,073)	(2,638,122)	(14,656,093)	(7,617,887)
Gross profit (loss) before fair value adjustments		2,978,978	1,438,673	12,524,421	(458,320)
Fair value adjustments to cannabis plants and inventory sold	5	(78,753)	-	449,323	-
Gross profit (loss)		2,900,225	1,438,673	12,973,744	(458,320)
Expenses					
Selling, general and administration	15	1,990,115	954,783	5,799,917	2,228,409
Share based compensation	13	332,247	288,897	1,148,408	434,554
Depreciation and amortization	8,9	540,778	27,409	1,278,416	53,877
Income (loss) from operations		37,085	167,584	4,747,003	(3,175,160)
Non-operating items:					
Finance costs	16	(996,207)	(53,654)	(2,156,260)	(154,423)
Restructuring costs	15	(145,050)	(225,348)	(696,225)	(225,348)
Acquisition costs	15	-	-	(372,316)	-
Foreign exchange loss		(13,872)	(3,855)	(34,723)	(3,979)
Bargain purchase price	14	(538,299)	-	7,747,902	-
Impairment of intangible assets	10	-	-	(63,970)	-
Gain on settlement	12	731,281	15,212	1,565,031	446,883
Gain on disposal	8	146,568	-	194,405	-
Net Income before income taxes		(778,494)	(100,061)	10,930,847	(3,112,027)
Income tax recovery		122,269	-	219,483	-
Deferred income tax recovery		358,944	-	358,944	-
Net and comprehensive income (loss)		(297,281)	(100,061)	11,509,274	(3,112,027)
Comprehensive income (loss) per share:					
Basic	20	(0.003)	(0.001)	0.103	(0.055)
Diluted	20	(0.002)	(0.001)	0.088	(0.051)
Weighted average number of shares outstanding					
Basic		115,502,799	68,872,421	111,532,488	56,524,569
Diluted		146,847,383	73,752,421	130,965,000	60,774,532

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

SIMPLY SOLVENTLESS CONCENTRATES LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (Expressed in Canadian dollars - Unaudited)

	Number of shares (Note 13) #	Share capital (Note 13) \$	Contributed surplus (Note 13) \$	Retained Earnings (Deficit) \$	Total Shareholders' Equity \$
Balance January 1, 2025	107,936,133	22,372,746	1,318,236	(8,232,515)	15,458,467
Share issuances	691,666	265,584	(106,500)	-	159,084
Shares issued for settlement of debt	6,875,000	3,093,750	-	-	3,093,750
Equity portion of convertible debt	-	-	571,362	-	571,362
Share compensation expense	-	-	1,148,408	-	1,148,408
Comprehensive income for the period	-	-	-	11,509,274	11,509,274
Balance September 30, 2025	115,502,799	25,732,080	2,931,506	3,276,759	31,940,345

	Number of shares (Note 13) #	Share capital (Note 13) \$	Contributed surplus (Note 13) \$	Deficit \$	Total Shareholders' Equity \$
Balance January 1, 2024	48,475,188	6,776,110	632,173	(3,037,826)	4,370,457
Share issuances	29,261,352	6,455,604	-	-	6,455,604
Share issue costs	-	(202,424)	-	-	(202,424)
Share compensation expense	-	-	434,554	-	434,554
Comprehensive income for period	-	-	-	(3,112,027)	(3,112,027)
Balance September 30, 2024	77,736,540	13,029,290	1,066,727	(6,149,853)	7,946,164

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements.

SIMPLY SOLVENTLESS CONCENTRATES LTD.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

*(Expressed in Canadian dollars -
Unaudited)*

	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Cash provided by (used in)				
Operating activities				
Net income (loss)	(297,281)	(100,061)	11,509,274	(3,112,027)
Items not affecting cash:				
Depreciation and amortization	539,248	27,409	1,415,986	53,877
Accrued interest	-	46,729	-	146,768
Accretion	792,410	-	1,191,593	-
Fair value adjustments to cannabis plants and inventory sold	78,753	-	(449,323)	-
Impairment of intangible asset	-	-	63,970	-
Share based compensation expense	332,247	288,897	1,148,408	434,554
Gain on settlement	(731,281)	(15,212)	(1,565,031)	(446,883)
Gain on bargain purchase price	538,299	-	(7,747,902)	-
Cash from (used in) operations before working capital adjustments	1,252,395	247,762	5,566,975	(2,923,711)
Changes in non-cash working capital (Note 18)	(1,140,095)	(3,658,045)	(7,290,585)	(773,582)
Cash provided by (used in) operations	112,300	(3,410,283)	(1,723,610)	(3,697,293)
Investing activities				
Purchase of property and equipment	(23,842)	(147,807)	(45,528)	(333,288)
Purchase of branding assets	-	(62,163)	-	(62,163)
Acquisition of CannMart Inc.	-	(385,331)	-	(385,331)
Disposal of property and equipment	-	-	113,490	-
Acquisition of Bio-Tech	-	-	(3,000,000)	-
Cash (used in) provided by investing	(23,842)	(595,301)	(2,932,038)	(780,782)
Financing activities				
Lease payments	(373,364)	(105,032)	(1,085,876)	(323,504)
Share issuances, net of share issuance costs	-	5,033,542	130,959	5,753,181
Repayment of vendor take back	-	(500,000)	(550,000)	(500,000)
Proceeds from convertible debenture	-	-	5,650,000	-
Repayment of convertible debt	(6,250)	-	(25,000)	-
Repayments of promissory note	(325,000)	-	(450,000)	-
Cash (used in) provided by financing	(704,614)	4,428,510	3,670,083	4,929,677
Net change in cash	(616,156)	422,926	(985,565)	451,602
Opening cash and cash equivalents	1,515,665	109,554	1,885,074	80,879
Ending cash	899,509	532,480	899,509	532,481

The accompanying notes are an integral part of these condensed interim Consolidated Financial Statements.

SIMPLY SOLVENTLESS CONCENTRATES LTD.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the nine months ended September 30, 2025 and 2024

1. Nature of operations

Simply Solventless Concentrates Ltd. (the “Company” or “SSC”), was incorporated under the laws of Alberta on July 10, 2020. The address of the Company’s corporate office is 4200 Bankers Hall West, 888 - 3rd Street S.W. Calgary AB, T2P 5C5. The Company owns confidential intellectual property regarding the branding, formulation, manufacturing, and sale of pure, potent, terpene-rich cannabis products to discerning cannabis consumers. The Company serves the recreational, medical, and business to business cannabis markets in Canada. SSC is led by a team of highly experienced business and cannabis professionals.

On August 6, 2021, the Company signed an amalgamation agreement with Dash Capital Corp. (“Dash”) for a proposed business combination which would constitute the Company’s go public transaction through reverse takeover. On December 18, 2023, the Company completed the amalgamation with Dash and commenced trading on the TSX Venture Exchange under the ticker symbol HASH.

These condensed interim consolidated financial statements present the consolidated operations of the Company and all of its subsidiaries. These condensed interim consolidated financial statements are prepared in Canadian dollars, which is also the functional currency. These condensed interim consolidated financial statements have been prepared on a historical cost basis except for certain assets which are measured at fair value. These condensed interim consolidated financial statements have been prepared under the accrual basis of accounting, except for cash flow information.

Going Concern

These condensed interim consolidated financial statements are prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. As at September 30, 2025, the Company had working capital of \$19,824,565 (December 31, 2024 – \$1,626,132) and retained earnings of \$3,276,759 (December 31, 2024 – \$8,232,515 deficit). During the nine months ended September 30, 2025, the Company incurred a net and comprehensive income totalling \$11,509,274 (2024 – loss of \$3,112,027).

The ability of the Company to continue as a going concern will depend on its ability to successfully integrate its acquisitions, achieve sufficient profitability or arrange additional financing, which is a material uncertainty. These condensed interim consolidated financial statements do not reflect adjustments in the carrying values of the assets and liabilities, revenues, expenses and the balance sheet classifications that would be necessary if the going concern assumption were not appropriate. Such adjustments if made could be material.

SIMPLY SOLVENTLESS CONCENTRATES LTD.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the nine months ended September 30, 2025 and 2024

2. Statement of compliance

The condensed interim consolidated financial statements of the Company ("Financial Statements") comply with International Accounting Standards 34 ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on November 27, 2025.

3. Accounting policies

The condensed interim consolidated financial statements do not include all of the information required for full annual financial statements. The accounting policies and critical estimates applied by the Company in these condensed interim consolidated financial statements are the same as those applied in the Company's annual financial statements for the year ended December 31, 2024, with the exception of the accounting policies noted below. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements as at and for the year ended December 31, 2024.

During the nine months ended September 30, 2025, the Company had the following new accounting policies due to acquisitions:

Biological Assets

Biological assets are measured at fair value in accordance with IAS 41 Agriculture. The Company's biological assets consist of cannabis plants which are not yet harvested. These biological assets are measured at fair value less costs to sell and costs to complete at the end of each reporting date. All direct and indirect biological transformation costs are expensed as incurred. Unrealized fair value gains or losses arising from changes in fair value less cost to sell are included in the condensed interim consolidated statements of income and comprehensive income in the period the related product is sold. At the point of harvest, the biological assets are transferred to inventory at fair value less costs to sell and costs to complete.

The Company is required to make a number of significant estimates and assumptions in calculating the fair value less costs to sell and costs to complete of biological assets. The significant estimates and assumptions in determining the fair value less costs to sell and costs to complete of biological assets include the estimated average selling price per gram, stage of growth of the cannabis up to the point of harvest, average yield per plant, harvesting cost, and selling cost.

The valuation of biological assets at the point of harvest is the cost basis for all cannabis-based inventory in the cultivation facility and, thus, any critical estimates and judgements related to the valuation of biological assets are also applicable for inventory. The Company must also determine if the cost of any inventory exceeds its net realizable value, such as cases where prices have decreased, or inventory has spoiled or has otherwise been damaged.

SIMPLY SOLVENTLESS CONCENTRATES LTD.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the nine months ended September 30, 2025 and 2024

4. Accounts receivable and accounts payable

Accounts receivable

Accounts receivable are non-interest bearing and are generally on terms of 15 to 180 days. The components of the accounts receivable as at September 30, 2025 and December 31, 2024 are as follows:

	September 30, 2025	December 31, 2024
Trade receivables (Note 19)	\$ 5,592,320	\$ 3,780,043
Other current receivables	1,900,448	287,677
Allowance for expected credit losses	(220,854)	(133,151)
	\$ 7,271,914	\$ 3,934,569

Included in the balance is \$925,042 owing from provincial government distributors (December 31, 2024 - \$2,019,729).

Other current receivables include amounts due from B2B customers where extended payment terms have been granted. These customers have obtained listings with provincial boards where the Company currently does not operate.

The following table summarizes the changes in the allowance for ECLs:

	September 30, 2025	December 31, 2024
Balance, beginning of the period	\$ 133,151	\$ 10,895
Accounts receivable written-off	-	(13,203)
Provision during the period	87,703	135,459
	\$ 220,854	\$ 133,151

Accounts payable and accrued liabilities

The components of the accounts payable and accrued liabilities as at September 30, 2025 and December 31, 2024 are as follows:

	September 30, 2025	December 31, 2024
Trade payables	\$ 4,082,785	\$ 3,521,249
Accrued liabilities	143,529	383,368
Other liabilities	189,117	657,125
	\$ 4,415,431	\$ 4,561,742

SIMPLY SOLVENTLESS CONCENTRATES LTD.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the nine months ended September 30, 2025 and 2024

Taxes and excise duty payable

During the nine months ended September 30, 2025, the Company negotiated a payment plan with the CRA on outstanding taxes and excise duties to be paid over 36 months.

5. Biological Assets

The changes in biological assets during the nine months ended September 30, 2025 were as follows:

As at December 31, 2024	\$	-
Acquisition of Bio-Tech (Note 14)		960,609
Unrealized gain on changes in fair value of biological assets		4,364,841
Transferred to inventory upon harvest		(3,915,518)
As at September 30, 2025	\$	1,011,778

The Company measures its biological assets at their fair value less costs to sell and costs to complete. Fair value less costs to sell and costs to complete is determined using a model which estimates the expected harvest yield per plant applied to the estimated price per gram less costs to sell and complete. The following estimates and assumptions all of which are classified as level 3 on the fair value hierarchy, were used by Management as part of this model:

- Average selling price per gram: Determined wholesale fair market value selling price of dry flower and trim.
- Stage of growth: Represents the weighted average number of weeks out of the growing cycle that biological assets have reached as of the measurement date.
- Average yield per plant: Represents the expected number of grams of finished cannabis inventory which are expected to be obtained from each harvested cannabis plant.

For the nine months ended September 30, 2025, the Company determined the weighted average fair value less cost to sell was approximately \$1.41 per dried gram (2024 - \$nil). At September 30, 2025, the cannabis plants were estimated to be, on average, 47% complete (2024 - nil).

The Company has quantified the sensitivity of the significant unobservable inputs used to calculate the fair value recorded. An increase or decrease in the comparable selling price per gram of 10% would result in an increase or decrease in the value of cannabis plants of \$101,178. An increase or decrease in the expected average yield per plant of 10% would result in an increase or decrease in the value of cannabis plants of \$83,934.

SIMPLY SOLVENTLESS CONCENTRATES LTD.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the nine months ended September 30, 2025 and 2024

The fair value adjustment to cannabis plants, inventory sold, and other charges is comprised of the following:

Nine months ended	September 30, 2025	September 30, 2024
Unrealized gain on changes in fair value of biological assets	\$ 4,364,841	\$ -
Realized fair value of inventory sold	(3,915,518)	-
	\$ 449,323	\$ -

6. Inventory

The components of inventory as at September 30, 2025 and December 31, 2024 are as follows:

	September 30, 2025	December 31, 2024
Raw materials	\$ 4,820,573	\$ 2,734,167
Packaging and consumables	2,954,860	1,155,875
Processed intermediates and WIP	9,011,067	7,020,629
Finished goods	5,388,126	5,185,516
	\$ 22,174,626	\$ 16,096,187

Inventory includes overhead costs that are subsequently allocated to cost of goods sold using a systematic allocation methodology driven by type and volume of products sold during the period. All inventory is in saleable condition and there were no indicators of impairment as at the balance sheet date.

7. Prepaids and deposits

The balance of prepaids and other deposits as at September 30, 2025 and December 31, 2024 are as follows:

	September 30, 2025	December 31, 2024
Prepaids	\$ 195,581	\$ 144,722
Other deposit	1,168,709	1,180,727
Security deposit	59,666	59,666
	\$ 1,423,956	\$ 1,385,115

Other deposits include deposits sent for inventory and equipment order that have yet to be delivered to the Company.

SIMPLY SOLVENTLESS CONCENTRATES LTD.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the nine months ended September 30, 2025 and 2024

8. Property and equipment

Property and equipment cost and accumulated depreciation as at September 30, 2025 and December 31, 2024 are as follows:

	2025					
	Production Equipment	Facility Upgrades	Office Equipment	Computer Equipment	Vehicles	Total
	\$	\$	\$	\$	\$	\$
Cost						
As at January 1, 2025	1,609,285	2,090,415	367,399	429,536	-	4,496,635
Acquisition of Bio-Tech	8,258,287	28,166	13,000	-	30,000	8,329,453
Disposal	(113,490)	-	-	-	-	(113,490)
Additions	23,842	5,867	-	15,819	-	45,528
	9,777,924	2,124,448	380,399	445,355	30,000	12,758,126
Depreciation						
As at January 1, 2025	836,089	1,411,416	321,194	320,183	-	2,888,882
Additions	617,101	109,749	30,481	43,445	3,500	804,276
	1,453,190	1,521,165	351,675	363,628	3,500	3,693,158
Net book value, September 30, 2025	8,324,734	603,283	28,724	81,727	26,500	9,064,968

During the nine months ended September 30, 2025, a gain on disposal of equipment of \$194,405 (2024 - \$nil) was recognized to net and comprehensive income.

9. Leases

Right-of-use assets

As at December 31, 2024	\$ 1,868,190
Acquisition of Bio-Tech (Note 14)	5,125,207
Disposal	(91,474)
Depreciation expense	(611,710)
As at September 30, 2025	\$ 6,290,213

Leases are comprised of facility leases for Humble (Winnipeg, Manitoba), Massive Hash Factory (Airdrie, Alberta), CannMart (Etobicoke, Ontario) and ANC (Edmonton, Alberta) and various vehicle leases. Carrying amounts of right-of-use assets are as follows:

	September 30, 2025	December 31, 2024
Facilities	\$ 6,076,115	\$ 1,581,014
Vehicle leases	214,098	287,176
	\$ 6,290,213	\$ 1,868,190

SIMPLY SOLVENTLESS CONCENTRATES LTD.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the nine months ended September 30, 2025 and 2024

Lease liabilities

The carrying amount of lease liabilities and the movements during the period are as follows:

	September 30, 2025	December 31, 2024
Maturity – contractual undiscounted cash flows		
Less than one year	\$ 1,602,445	\$ 643,581
One to two years	1,598,610	656,341
Two to three years	1,454,031	622,690
Three or more years	6,396,783	469,725
Total undiscounted lease liabilities	\$ 11,051,869	\$ 2,392,337

Lease liabilities included in the statement of financial position:

Current	\$ 1,492,858	\$ 474,412
Long-term	5,012,479	1,480,685
Total lease liabilities	\$ 6,505,337	\$ 1,955,097

For the nine months ended September 30, 2025, the Company incurred \$602,383 (2024 - \$53,193) of interest related to leases and had total payments of \$1,085,876 (2024 - \$323,504).

10. Intangible assets

During the year ended December 31, 2024, the Company acquired intangible assets of \$285,000 in connection with the purchase of the Lamplighter brand on January 12, 2024, \$2,244,594 in connection with the acquisition of CannMart Inc. on September 12, 2024 and \$9,243,513 in connection with the acquisition of ANC Inc. on October 18, 2024. Intangible assets acquired in acquisitions relate to licensing and brand value. In 2024, the Company determined that branding assets have an indefinite life, subject to impairment.

	ANC Brands \$	CannMart Brands \$	Lamplighter Brands \$	Branding Assets \$	Total \$
Cost					
As at January 1, 2025	9,243,513	2,244,594	285,000	63,970	11,837,007
Additions	350,000	-	-	-	350,000
Impairment	-	-	-	(63,970)	(63,970)
Net book value, September 30, 2025	9,593,513	2,244,594	285,000	-	12,123,107

During the nine months ended September 30, 2025, the Company had a final working capital adjustment of \$350,000 related to the acquisition of ANC Inc. and therefore recognized an increase to the ANC Brands intangible asset.

SIMPLY SOLVENTLESS CONCENTRATES LTD.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the nine months ended September 30, 2025 and 2024

11. Convertible debt

On February 13, 2025, the Company completed a financing through the issuance of 6,000 Debenture Units pursuant to an offering (the "Offering") at a price of \$1,000 per Debenture Unit. Each Debenture Unit is comprised of one \$1,000 principal value secured convertible debenture of SSC ("Debentures") and 1,000 common share purchase warrants of SSC. The Debentures are convertible into SSC common shares at \$1.00 per Common Share at the option of the holder and at any time during the term of the Debentures. Interest accrues on the Debentures at 11% per annum, which interest is payable quarterly in cash by SSC. The Debentures mature on the date which is 48 months from the closing date and are secured by all present and after acquired property of SSC and its subsidiaries.

A total of 6,000,000 Warrants were issued pursuant to the Offering. Each common share purchase warrant is exercisable for one common share at a price of \$1.20 per common share for a period of four years from the closing date. The Debentures, warrants and underlying common shares were subject to a hold period of four months and one day from the closing date. 350 Units (\$350,000) were issued to ANC Promissory Note holders, who are related parties of the Company, for partial settlement of the ANC Promissory Note balance outstanding.

As at December 31, 2024	\$ -
Additions	6,000,000
Allocation of equity component	(571,362)
Repayment of convertible debt	(25,000)
Accretion expense	79,805
As at September 30, 2025	\$ 5,483,443

12. Promissory Note

On October 18, 2024, the Company acquired all the issued and outstanding shares of ANC Solutions Inc. ("ANC") pursuant to the terms and conditions of the Share Purchase Agreement (the "SPA") dated September 25, 2024. Upon completion of the transaction, ANC became a wholly owned subsidiary of the Company. The Company entered a \$4,000,000 non-interest bearing secured promissory note due and payable in cash on May 31, 2025 (the "ANC Promissory Note"), plus up to \$3,500,000 Reverse Earn Out Promissory Note, and up to \$3,000,000 Patent Reverse Earnout Promissory Note. During the year ended December 31, 2024, a fair value adjustment for the interest free notes of \$738,088 was recorded to reduce the book value of the promissory note.

On June 2, 2025, the Company negotiated an amendment to the ANC Promissory Note (the "Amending Agreement") in connection with the outstanding secured ANC Promissory Note in the amount of \$3,650,000 due on May 31, 2025 and a non-interest bearing earn-out note with up to \$3,500,000 outstanding, previously due October 31, 2025 (together with the Promissory Note, the "Notes"). The Amending Agreement resulted in the elimination of the original \$7,150,000 aggregate combined principal balance in the following manner:

- \$3,437,500 of the Notes were repaid through the issuance of 6,875,000 common shares

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of the Company (Note 13). The common shares had a fair value of \$3,093,750 on the date of issuance resulting in a gain on settlement of \$343,750 recorded on the statement of income and comprehensive income.

- \$490,000 of the Notes have been discharged and recorded as a gain on settlement on the statement of income and comprehensive income.
- \$1,000,000 of the Notes will be repaid in cash on or around June 3, 2026.
- \$2,200,000 of the Notes will be repaid in weekly cash payments averaging \$21,370. Should the Company repay this balance by July 31, 2025, the remaining principal balance owing at that time will be reduced by \$367,500. Should the Company repay this balance by December 31, 2025, the remaining principal balance owing at that time will be reduced by \$245,000.
- ANC and the Company have agreed to a final working capital settlement of \$350,000, pursuant to the acquisition agreement. This payment was made in cash on signing of the Amending Agreement.

All warrants previously issued by the Company to the ANC shareholders in connection to the Company's acquisition of ANC., totaling 3,000,000 warrants, with each whole warrant exercisable at \$0.75 per common share, will be exercisable on a cashless basis, meaning that the Company will issue from treasury the common shares related to the exercise of the Warrants, provide such issued common shares from the warrant exercise to the exercising warrant holder, and the exercising warrant holder will then pay to the Company the total warrant exercise price (number of warrants exercised times the warrant exercise price of \$0.75) within 10 business days from their brokerage account.

Should the Company raise capital, 35% of the proceeds of such financing will be applied to reduce any remaining balance of the \$2,200,000 weekly payment portion of the ANC Promissory Note. Should the Company default on a weekly payment, the Company shall have a period of 10 business days to cure the default. The Company has provided a consent summary judgement in the event of an uncured default.

The Company accounted for the amendment of the promissory note as a debt extinguishment and recognized a gain on settlement of debt totalling \$1,565,031. On June 6, 2025, the Company determined the fair value of the amended promissory note to be \$2,698,961 using a fair market interest rate of 20%.

As at December 31, 2024	\$ 7,426,404
Repayment	(450,000)
Converted to convertible debt (Note 11)	(350,000)
Settled with shares (Note 13)	(3,093,750)
Recognized as gain on settlement	(1,565,031)
Accretion expense	509,405
	<hr/>
	2,477,028
	<hr/>
Current portion of promissory note	(1,750,442)
As at September 30, 2025	\$ 726,586

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13. Share capital

a) Authorized

The Company is authorized to issue an unlimited number of common shares and an unlimited number of first preferred shares.

b) Issued and outstanding

	Number of shares	Share Capital
Balance, January 1, 2025	107,936,133	\$ 22,372,746
Issued for repayment of promissory note	6,875,000	3,093,750
Exercise of stock options	558,333	238,917
Exercise of warrants	133,333	26,667
Balance, September 30, 2025	115,502,799	\$ 25,732,080

On January 15, 2025, the Company issued 145,000 common shares at \$0.195 per share for proceeds of \$28,275 and \$20,300 was previously recorded in the stock option reserve upon the exercise of stock options by the former CFO.

On January 29, 2025, the Company issued 133,333 common shares at \$0.20 per share for proceeds of \$26,667 upon the exercise of common share purchase warrants by a third-party.

On March 20, 2025, the Company issued 213,333 common shares at \$0.25 per share for proceeds of \$54,142 and \$38,200 was previously recorded in the stock option reserve upon the exercise of stock options by the former CFO.

On March 21, 2025, the Company issued 200,000 common shares at \$0.25 per share for proceeds of \$50,000 and \$48,000 was previously recorded in the stock option reserve upon the exercise of stock options by a contractor.

On June 1, 2025, a total of 6,875,000 common shares of the Company were issued for repayment of a promissory note of \$3,437,500. The fair value of the shares issued totalled \$3,093,750 and the Company recorded a gain of \$343,750 on debt settlement.

c) Common Share Purchase Warrants

	Number of warrants	Weighted average exercise price \$
Balance, January 1, 2025	7,655,733	0.42
Issued	6,000,000	1.20
Exercised	(133,333)	0.20
Balance, September 30, 2025	13,522,400	0.77

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Expiry date	Weighted average life (years)	Number of warrants vested and exercisable	Exercise Price \$
October 17, 2026	1.05	3,000,000	0.75
April 17, 2027	1.55	4,522,400	0.20
February 13, 2029	3.38	6,000,000	1.20
		13,522,400	0.77

d) Finders warrants

	Number of warrants	Weighted average exercise price \$
Balance, January 1, 2025	42,000	0.20
Issued	-	-
Balance, September 30, 2025	42,000	0.20

Expiry date	Weighted average life (years)	Number of warrants vested and exercisable	Exercise Price \$
August 28, 2026	0.91	42,000	0.20
		42,000	0.20

e) Stock options

	Number of options	Weighted average exercise price \$
Balance, January 1, 2025	7,987,667	0.29
Granted	4,215,000	0.53
Exercised	(200,000)	0.25
Forfeited	(1,677,667)	0.52
Balance, September 30, 2025	10,325,000	0.34
Exercisable, September 30, 2025	6,654,999	0.29

During the nine months ended September 30, 2025, the following stock option grants occurred:

- On February 27, 2025, 2,715,000 stock options were granted to certain directors, officers and employees at an exercise price of \$0.63 per share and a maturity of 5 years from the grant date. The options vest as to 1/3 on the grant date, 1/3 on the first anniversary of the grant date and 1/3 on the second anniversary of the grant date.

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- On August 25, 2025, 1,250,000 stock options were granted to an officer of the Company at an exercise price of \$0.29 per share and a maturity of 5 years from the grant date. The options vest as to 1/3 on the grant date, 1/3 on the first anniversary of the grant date and 1/3 on the second anniversary of the grant date.
- On September 7, 2025, 250,000 stock options were granted to a consultant of the Company at an exercise price of \$0.35 per share and a maturity of 5 years from the grant date. The options vest as to 1/3 on the grant date, 1/3 on the first anniversary of the grant date and 1/3 on the second anniversary of the grant date.

At September 30, 2025, total options outstanding included:

Expiry date	Weighted average life (years)	Number of options outstanding	Number of options vested and exercisable	Exercise Price \$
December 30, 2025	0.25	900,000	900,000	0.15
August 9, 2026	0.86	230,000	230,000	0.25
February 28, 2028	2.41	375,000	375,000	0.20
September 1, 2028	2.92	1,142,000	1,078,000	0.21
February 28, 2029	3.42	433,000	288,666	0.17
April 29, 2029	3.58	650,000	433,333	0.22
August 15, 2029	3.88	2,355,000	1,570,000	0.37
February 26, 2030	4.41	2,190,000	730,000	0.63
August 25, 2030	4.90	1,250,000	416,667	0.29
September 7, 2030	4.94	250,000	83,333	0.35
May 14, 2031	5.62	550,000	550,000	0.20
		10,325,000	6,654,999	0.34

The fair value of the stock options is estimated using the Black-Scholes valuation model. The valuation model assumptions used were as follows:

Nine months ended September 30,	2025	2024
Exercise price	\$0.29 - \$0.35	\$0.15 - \$0.37
Share price	\$0.30 - \$0.35	\$0.15 - \$0.37
Volatility	88%	97%
Risk free rate	2.87% - 3.10%	3.63%
Expected life	5 years	5 years
Dividend yield	nil	nil

During the nine months ended September 30, 2025, share based compensation amounted to \$1,148,408 (2024 - \$434,554).

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14. Acquisition of Delta 9 Bio-Tech

On February 28, 2025, SSC acquired (the "Acquisition") all the issued and outstanding shares of Delta 9 Bio-Tech ("Bio-Tech") for cash consideration of \$3,000,000, pursuant to a share purchase agreement and pursuant to the approval of the King's Bench of Alberta (the "Court") issued on January 29, 2025, pursuant to proceedings under the Companies' Creditors Arrangement Act (the "CCAA") granted by the Court on July 15, 2024. In accordance with the share purchase agreement, a cash deposit of \$750,000 was paid on January 2, 2025, with the balance of \$2,250,000 paid on closing of the Acquisition. In connection with the Acquisition, SSC entered into a lease agreement on closing in respect of the Bio-Tech facility with an arms-length party for a 10-year term with renewal options.

Bio-Tech operates a 98,000 square foot Good Agricultural and Collection Practices ("GACP") certified cannabis cultivation facility in Winnipeg, Manitoba (the "Facility"), with an annual cultivation capacity of approximately 8,000kg-9,000kg of dried cannabis flower and trim. Bio-Tech services the recreational dried flower markets in Ontario, Alberta, Manitoba, Saskatchewan, British Columbia, and the Maritimes, and the business-to-business wholesale market in Canada and internationally.

Subsequent to closing of the Acquisition, Bio-Tech's name was changed to Humble Grow Co.

Expected key Benefits and Synergies of the Acquisition are as follows:

- Low Cultivation Costs: Upon capture of synergies and optimization, it is expected that the all-in cash cost to cultivate will be approximately \$0.70-\$0.80 per gram, among the lowest for indoor cannabis in Canada.
- No Liabilities: As Bio-Tech is being acquired through CCAA proceedings, the Company will assume no liabilities upon closing of the Acquisition.
- Tax Pools: Bio-Tech has approximately \$60 million of accrued non-capital loss tax pools which may be usable to the Company. Should these tax pools be utilized, they are expected to reduce future tax payments.
- International Exposure: The Facility is GACP certified, allowing for the export of dried flower to international markets, which currently attracts higher selling prices.
- Complimentary Products: The Company does not currently cultivate or sell dried flower. The Acquisition allows the Company to participate in the dried flower product category.
- Supply Chain: The Acquisition secures a supply of high-quality flower and trim for use in the Company's prerolls and in the manufacturing of concentrates and hash.
- Inventory Velocity: Bio-Tech sells several products that the Company currently manufactures, including hash, which will help maximize inventory turnover.
- Facility Cost Savings: The Company will be able to rationalize the activities performed at its various facilities, reducing fixed operating costs.
- Cost Synergies: Administration, including but not limited to public company costs, accounting, IT, governance, and HR will be shared, reducing costs per dollar of revenue.
- Blended Excise Rate: Bio-Tech pays lower excise rates as a cultivator, which will lower the Company's overall corporate blended excise tax rate.

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Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

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Cost of acquisition	
Cash	\$ 3,000,000
Allocation of purchase price	
Cannabis inventory	\$ 1,572,548
Biological assets	960,609
Right of use asset	5,125,207
Property and equipment	8,329,453
Net working capital	(114,708)
Right of use liability	(5,125,207)
Total	10,747,902
Bargain purchase price	(7,747,902)
Net assets	\$ 3,000,000

From the closing date of the Acquisition on February 28, 2025 until September 30, 2025, Bio-Tech contributed \$4,730,423 in gross revenues, of which \$634,795 were intercompany, and \$404,655 in net income to these condensed interim consolidated financial statements.

15. Selling, General and administration expenses

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Salaries and wages ⁽¹⁾	\$ 516,045	\$ 231,941	\$ 1,998,315	\$ 695,889
Office and general ⁽²⁾	408,675	191,940	865,583	416,034
Professional fees ⁽²⁾	319,691	94,963	921,577	304,572
Selling expense	697,707	426,209	1,855,237	795,489
Information technology	47,997	9,730	159,205	16,425
	\$ 1,990,115	\$ 954,783	\$ 5,799,917	\$ 2,228,409

(1) For the nine months ended September 30, 2025, salaries and wages of \$696,225 were classified as restructuring costs as they relate to non-recurring salaries and severance expenses incurred in the integration of acquired subsidiaries.

(2) For the nine months ended September 30, 2025, legal fees, travel and filing expenses totalling \$372,316 that were incurred in acquisition of subsidiaries were classified as acquisition costs.

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Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the nine months ended September 30, 2025 and 2024

16. Financing Costs

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Accretion	\$ 543,750	\$ -	\$ 589,210	\$ -
Interest on short-term financing	39,935	35,172	575,296	101,230
Professional fees related to financing	-	-	142,331	-
Interest on convertible debt	163,862	-	247,040	-
Interest on leases	248,660	18,482	602,383	53,193
	\$ 996,207	\$ 53,654	\$ 2,156,260	\$ 154,423

17. Related party transactions

Key management personnel consist of the Company's executive management team as well as the Company's Board of Directors. The Company's key management personnel have the authority and responsibility for planning, directing and controlling the activities of the Company.

Transactions with related parties are recorded at their fair value amounts. During the nine months ended September 30, 2025, officers and directors received cash-based compensation of \$816,295 (2024 – \$512,626), share-based compensation of \$1,140,409 (2024 – \$679,858). The cash-based compensation is short-term in nature and the share-based compensation items are comprised of stock options. At September 30, 2025, the Company has accounts payable of \$77,930 (December 31, 2024 - \$28,125) due to related parties in the normal course of business.

At September 30, 2025, an amount of \$273,228 (December 2024 - \$273,544) was due from key management for advances made by the Company. The advances are unsecured, non-interest bearing and repayable on demand.

18. Supplemental cash flow disclosures

Nine months ended September 30,	2025	2024
Cash (used in) from operations:		
Accounts receivable	\$ (3,337,345)	\$ (1,037,051)
Inventory	(4,107,737)	(1,723,297)
Prepays and deposits	(38,841)	(556,785)
Accounts payable and accrued liabilities	(582,894)	2,543,551
Short term loan	198,494	-
Taxes payable	805,747	-
Deferred revenue	(228,009)	-
Total changes in non-cash working capital	\$ (7,290,585)	\$ (773,582)

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Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the nine months ended September 30, 2025 and 2024

19. Financial Instruments and risk management

Fair value of financial instruments

The Company's financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, short term loan, promissory note, convertible debt, promissory note and vendor take back. The carrying values of these financial instruments approximate their fair values as at September 30, 2025.

Financial instruments recorded at fair value are classified using a fair value hierarchy that reflects the significance of the inputs to fair value measurements. The three levels of hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Inputs for the asset or liability that are not based on observable market data. There have been no transfers between fair value levels during the year.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board mitigates these risks by assessing, monitoring and approving the Company's risk management processes.

Credit risk

Credit risk is the risk of a potential loss to the Company if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from its cash and accounts receivable. The risk exposure is limited to their carrying amounts at the statement of financial position date.

The risk for cash is mitigated by holding these instruments with highly rated Canadian financial institutions. Management believes the risk of loss is low.

Accounts receivable consists of amounts owing from customers. The Company evaluates the credit worthiness of the customer counterparties before credit is granted.

The aging of accounts receivable is as follows:

	September 30, 2025	December 31, 2024
Current	\$ 4,788,551	\$ 3,192,008
31-90 days	209,657	293,660
90 + days	594,112	448,901
	\$ 5,592,320	\$ 3,934,569

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Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the nine months ended September 30, 2025 and 2024

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they come due. The Company manages liquidity risk through the management of its capital structure. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to settle obligations and liabilities when due. See Note 21 for further details of capital management.

All accounts payable and accrued liabilities and short-term loans are due on demand and classified as current liabilities. Promissory note and vendor take back are due to be paid in 2025 and are classified as current liabilities.

Market risk

a) Currency risk

The operating results and financial position of the Company are reported in Canadian dollars. The Company may work with US-sourced vendors and suppliers resulting in exposure to foreign currency exchange translation gains and losses.

b) 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 currently does not have any variable interest-bearing financial instruments, therefore, is not currently exposed to interest rate risk.

c) Price risk

Price risk is the risk of variability in fair value due to movements in equity or market prices. The Company currently holds no instruments that are susceptible to price risk arising from uncertainties about their future values.

20. Income per share

Income per share represents the income attributable to common shareholders divided by the weighted average number of common shares outstanding during the period.

Diluted income per share is calculated by dividing the income by the sum of the weighted average number of common shares outstanding plus additional common shares that would have been outstanding if dilutive share instruments had been issued as common shares during the period. In periods where a net loss and comprehensive loss is realized, dilutive instruments become anti-dilutive and are therefore excluded from the calculation resulting in basic and diluted results per share, being equal.

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Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the nine months ended September 30, 2025 and 2024

21. Capital management

The Company's objectives when managing its capital are to ensure its ability to continue as a going concern while maintaining the needed resources to fund ongoing operations and development to provide returns to its shareholders. The Company manages its capital structure and makes adjustments to it in consideration of changes in economic conditions and the risk characteristics of the Company's underlying assets. To maintain or adjust its capital structure, the Company may issue new shares or obtain new debt.

The Company defines capital as total equity plus total debt financing. As at September 30, 2025, the Company's total capital of \$34,942,814 (December 31, 2024 - \$26,445,524) consists of equity \$31,940,345 (December 31, 2024 - \$15,458,467) and \$3,002,469 short-term debt (December 31, 2024 - \$9,029,937).

22. Comparative restatement

During the year ended December 31, 2024, the Company recognized revenue from tolling services with various arms-length counterparties where payment for the tolling services was paid in-kind with an equivalent value of the processed end product recorded into inventory. In the fourth quarter of 2024, the Company reassessed its accounting treatment for non-monetary tolling arrangements and recorded an adjustment to derecognize tolling revenue with a corresponding reduction in cost of goods sold to reflect the change in cost base of the related inventory.

In addition, Inventory includes overhead costs that are subsequently allocated to cost of goods sold using a systematic allocation methodology driven by type and volume of products sold during the period. In the fourth quarter of 2024, the Company reassessed its overhead allocation treatment and recorded a reconciliation adjustment to cost of goods sold related to capitalized overhead.

The table below summarizes the restated condensed consolidated interim financial statements for three and nine months ended September 30, 2024:

September 30, 2024 - three months ended

Condensed Consolidated Interim Statements of Income (Loss)	As previously reported \$	Adjustments \$	As Restated \$
Revenues	7,175,617	(872,103)	6,303,514
Cost of goods sold	(2,985,718)	347,596	(2,638,122)
Net income and comprehensive income (loss)	424,446	(524,507)	(100,061)

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For the nine months ended September 30, 2025 and 2024

September 30, 2024 – Nine months ended

Condensed Consolidated Interim Statements of Income (Loss)	As previously reported \$	Adjustments \$	As Restated \$
Revenues	14,530,512	(2,989,810)	11,540,702
Cost of goods sold	(5,347,890)	(2,269,997)	(7,617,887)
Net income and comprehensive income (loss)	2,147,780	(5,259,807)	(3,112,027)

September 30, 2024 – Nine months ended

Condensed Consolidated Interim Statements of Financial Position	As previously reported \$	Adjustments \$	As Restated \$
Inventory	16,167,719	(5,109,123)	11,058,596
Accounts payable and accrued liabilities	7,457,944	150,684	7,608,628