

# AVANT

October 15, 2025

## Condensed Interim Consolidated Financial Statements

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Nine Months Ended  
August 31, 2025

(Unaudited - Expressed in Canadian dollars)

**MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL REPORTING**  
**CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORTING**

The accompanying condensed consolidated interim financial statements of Avant Brands Inc. (the “Company”) have been prepared by management in accordance with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (“IASB”). Management acknowledges responsibility for the preparation and presentation of the condensed consolidated interim financial statements, including responsibility for significant accounting estimates and the choice of accounting principles and methods that are appropriate to the Company’s circumstances.

**NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS**

The Company’s independent auditor has not performed a review of these condensed consolidated interim financial statements in accordance with standards established by the Canadian Institute of Chartered Professional Accountants for a review of interim financial statements by a company’s auditor.

**AVANT BRANDS INC.****Condensed Interim Consolidated Statements of Financial Position**

As at August 31, 2025 and November 30, 2024

(Unaudited, Expressed in Thousands of Canadian Dollars Except Share Amounts)

	Note	August 31, 2025	November 30, 2024
<b>Assets</b>			
<b>Current assets</b>			
Cash		\$995	\$1,740
Trade and other receivables	4	4,336	6,784
Due from related party	17	106	-
Prepaid expenses and deposits	5	774	1,009
Biological assets	6	3,975	6,655
Inventory	7	9,392	10,039
		<b>19,578</b>	<b>26,227</b>
Property, plant and equipment	8	28,699	31,822
Intangible assets	9	1,133	1,423
<b>Total assets</b>		<b>\$49,410</b>	<b>\$59,472</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		\$6,784	\$8,361
Lease liabilities	10	1,217	1,529
Convertible debenture A	11	293	1,665
Secured credit facility	12	1,433	1,547
Convertible debenture B	13	1,255	1,399
Convertible debenture B - conversion option	13	535	-
Due to related party	17	490	468
		<b>12,007</b>	<b>14,969</b>
Lease liabilities	10	8,658	8,667
Secured credit facility	12	55	778
Convertible debenture B	13	1,672	2,203
<b>Total liabilities</b>		<b>\$22,392</b>	<b>\$26,617</b>
<b>Shareholders' equity</b>			
Share capital	14	110,718	109,804
Contributed surplus	14	11,208	11,061
Accumulated deficit		(94,908)	(88,010)
<b>Total shareholders' equity</b>		<b>27,018</b>	<b>32,855</b>
<b>Total liabilities and shareholders' equity</b>		<b>\$49,410</b>	<b>\$59,472</b>

Nature and continuance of operations (Note 1)

Commitments and contingencies (Note 19)

Approved on behalf of the Board on October 8<sup>th</sup>, 2025:

/s/ Derek Sanders, Director \_\_\_\_\_

/s/ Duane Lo, Director \_\_\_\_\_

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

## AVANT BRANDS INC.

### Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three-month and nine-month periods ended August 31, 2025 and August 31, 2024

(Unaudited, Expressed in Thousands of Canadian Dollars Except Share Amounts)

	Note	Three months ended August 31		Nine months ended August 31	
		2025	2024	2025	2024
Revenue		\$10,768	\$9,551	\$30,134	\$27,903
Excise taxes		(1,356)	(1,086)	(3,617)	(3,072)
Net revenue	16	9,412	8,465	26,517	24,831
Cost of sales		(7,311)	(4,276)	(19,259)	(12,874)
Gross profit before fair value changes		2,101	4,189	7,258	11,957
Unrealized gain on changes in fair value of biological assets		2,383	6,476	5,478	11,715
Change in fair value of biological assets realized through inventory sold		(2,803)	(9,662)	(9,654)	(23,594)
<b>Gross profit</b>		<b>1,681</b>	<b>1,003</b>	<b>3,082</b>	<b>78</b>
<b>Operating expenses</b>					
Administration and general		357	347	805	1,212
Business fees and licenses		504	705	917	1,334
Consulting fees		238	433	676	933
Brokerage and commission fees		701	79	1,327	141
Depreciation and amortization	8,9	99	154	407	707
Marketing and advertising		66	24	225	132
Professional fees		299	652	1,006	1,568
Salaries and wages		601	787	1,851	2,440
Share based payments	15	35	298	873	725
Travel		88	38	254	103
		2,988	3,517	8,341	9,295
<b>Net loss from operations</b>		<b>(1,307)</b>	<b>(2,514)</b>	<b>(5,259)</b>	<b>(9,217)</b>
<b>Other income (expense)</b>					
Financing costs		(779)	(4)	(781)	(18)
Interest and accretion	10,11,12,13	(223)	(275)	(635)	(1,028)
Foreign exchange loss		(2)	-	(7)	(3)
Loss on debt modification		-	-	(609)	(614)
Interest on related party loan		2	-	6	-
Gain on legal settlement		244	-	244	-
Other income		-	-	-	261
Unrealized gain on marketable securities and derivatives	13	119	11	119	61
Loss on debt settlement		-	(163)	-	(163)
<b>Net loss before income tax</b>		<b>\$(1,946)</b>	<b>\$(2,945)</b>	<b>\$(6,922)</b>	<b>\$(10,721)</b>
Current income tax recovery		71	-	24	1,293
<b>Net loss and comprehensive loss</b>		<b>\$(1,875)</b>	<b>\$(2,945)</b>	<b>\$(6,898)</b>	<b>\$(9,428)</b>
<b>Loss per common share</b>					
Basic and diluted		<b>\$(0.17)</b>	<b>\$(0.28)</b>	<b>\$(0.63)</b>	<b>\$(0.96)</b>
<b>Weighted average shares outstanding</b>					
Basic and diluted		<b>11,130,453</b>	10,456,120	<b>11,034,434</b>	9,793,877

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

**AVANT BRANDS INC.****Condensed Interim Consolidated Statements of Changes in Equity***As at August 31, 2025 and August 31, 2024**(Unaudited, Expressed in Thousands of Canadian Dollars Except Share Amounts)*

	Shares	Share capital	Contributed Surplus	Deficit	Total
<b>Balance at November 30, 2023</b>	<b>8,636,280</b>	<b>\$104,571</b>	<b>\$10,670</b>	<b>\$(65,913)</b>	<b>\$49,328</b>
Net loss for the period	-	-	-	(9,428)	(9,428)
Share units released	124,172	295	(167)	-	128
Shares issued for services	86,935	331	(291)	-	40
Convertible debenture A modification	545,171	1,799	(515)	447	1,731
Warrants issued on convertible debt A modification	-	-	55	-	55
Promissory note modification and settlement	46,240	121	-	-	121
Shares and warrants issued on private placement	938,562	1,783	744	-	2,527
Cultivar supply agreement	113,810	180	-	-	180
Accounts payable settlement	53,571	225	-	-	225
Warrants issued on convertible debenture B	-	-	226	-	226
Conversion feature on convertible debenture B	-	-	226	-	226
Share-based compensation	-	-	725	-	725
<b>Balance at August 31, 2024</b>	<b>10,544,741</b>	<b>\$109,305</b>	<b>\$11,673</b>	<b>\$(74,894)</b>	<b>\$46,084</b>
<b>Balance at November 30, 2024</b>	<b>10,630,698</b>	<b>\$109,804</b>	<b>\$11,061</b>	<b>\$(88,010)</b>	<b>\$32,855</b>
Net loss for the period	-	-	-	(6,898)	(6,898)
Share units released	175,952	270	(270)	-	-
Shares issued for services	115,638	410	(410)	-	-
Convertible debenture A - partial extinguishment	210,084	149	-	-	149
Convertible debenture B - modification	-	-	(452)	-	(452)
Convertible debenture B - warrants issued	-	-	406	-	406
Cultivar supply agreement	-	33	-	-	33
Legal settlement	67,229	52	-	-	52
Share based compensation	-	-	873	-	873
<b>Balance at August 31, 2025</b>	<b>11,199,601</b>	<b>\$110,718</b>	<b>\$11,208</b>	<b>\$(94,908)</b>	<b>\$27,018</b>

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

**AVANT BRANDS INC.****Condensed Interim Consolidated Statements of Cash Flows***For the nine-month periods ended August 31, 2025 and August 31, 2024**(Unaudited, Expressed in Thousands of Canadian Dollars Except Share Amounts)*

	August 31, 2025	August 31, 2024
Net loss	\$(6,898)	\$(9,428)
Adjustments for non-cash items:		
Unrealized gain on changes in fair value of biological assets	(5,478)	(11,715)
Change in fair value of biological assets realized through inventory sold	9,654	23,594
Depreciation and amortization	3,387	3,720
Interest and accretion	784	1,028
Interest earned on related party loan	(6)	-
Loss on debt modification	609	614
Financing costs	781	18
Cultivar supply agreement	33	-
Share based payments	873	717
Unrealized gain on marketable securities and derivatives	(119)	(61)
Gain on legal settlement	(244)	-
Other income	-	(9)
Loss on private placement	-	166
Consulting fees	-	180
	<b>3,376</b>	<b>8,824</b>
Changes in working capital		
Trade and other receivables	2,448	520
Prepaid expenses and deposits	235	277
Biological assets	(1,496)	(11,191)
Inventory	607	6,345
Accounts payable and accrued liabilities	(1,525)	(3,034)
Due to related party	22	-
<b>Net cash flows generated from operating activities</b>	<b>\$3,667</b>	<b>\$1,741</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(29)	(44)
Proceeds from legal settlement	244	-
Disposal of property and equipment	-	9
Proceeds from sale of marketable securities	-	16
<b>Net cash flows generated (used in) from investing activities</b>	<b>\$215</b>	<b>\$(19)</b>
<b>Cash flows from financing activities</b>		
Lease liability payments	(1,008)	(982)
Repayment of secured credit facility	(1,096)	(1,095)
Repayment of convertible debenture A	(1,348)	(1,017)
Repayment of convertible debenture B	(1,075)	-
Loan issued to related party	(100)	-
Financing fees	-	(50)
Repayment of promissory note	-	(763)
Proceeds from private placement	-	654
Proceeds from convertible debenture B	-	3,900
<b>Net cash flows (used in) generated from financing activities</b>	<b>\$(4,627)</b>	<b>\$647</b>
Increase (decrease) in cash	(745)	2,369
Cash – beginning of period	1,740	772
<b>Cash – end of period</b>	<b>\$995</b>	<b>\$3,141</b>

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

# AVANT BRANDS INC.

## Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, Expressed in Thousands of Canadian Dollars Except Share Amounts)

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### 1 Nature and continuance of operations

Avant Brands Inc. (the “Company”) was incorporated under the Canada Business Corporations Act.

The Company’s principal business activity is cultivation, production, marketing and sales of cannabis products and pursuing opportunities in the cannabis industry. The Company is a publicly traded company listed on the Toronto Stock Exchange (“**TSX**”) (TSX: AVNT), and trades on the OTCQX Best Markets (OTCQX: AVTBF) and Frankfurt Stock Exchange (FRA: 1BU0). The Company’s head office is located at Suite 910 – 1700 Dickson Avenue, Kelowna, British Columbia, V1Y 9G6.

These condensed interim consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes that the Company will be able to continue for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has incurred losses since inception and has an accumulated deficit of \$94,908 as at August 31, 2025, funded primarily by the issuance of equity, convertible debentures, and a secured credit facility. There is a material uncertainty related to the financial conditions that may cast significant doubt on the Company’s ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company’s ability to continue as a going concern depends upon its ability to generate profitable operations or raise adequate financing in the future.

The Company’s objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company is subject to externally imposed capital requirements which it has met as of August 31, 2025. The Company may raise additional debt or equity financing in the near future to meet its obligations.

### 2 Basis of presentation

#### Statement of compliance and basis of measurement

The condensed interim consolidated financial statements of the Company have been prepared in accordance with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board (“**IASB**”).

The condensed interim consolidated financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended November 30, 2024, and any public announcements made by the Company during the interim reporting period. Selected explanatory notes are included to explain events and transaction that are significant to an understanding of the changes in the Company’s financial position and performance since the last annual financial statements.

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and amended standards as set out in Note 3.

These condensed interim consolidated financial statements of the Company were approved and authorized for issue by the Board of Directors of the Company (the “**Board**”) on October 8<sup>th</sup>, 2025.

## AVANT BRANDS INC.

### Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, Expressed in Thousands of Canadian Dollars Except Share Amounts)

#### Basis of consolidation

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

Subsidiaries	Geographical Region	Ownership
1203648 B.C. Ltd.	Kelowna, British Columbia	100%
3PL Ventures Inc. (" <b>3PL</b> ")	Vernon, British Columbia	100%
Avant Craft Cannabis Inc. (" <b>ACC</b> ")	Edmonton, Alberta	100%
Avant K1 Brands Inc. (" <b>Avant K1</b> ")	Kelowna, British Columbia	100%
GreenTec Bio-Pharmaceuticals Inc. (" <b>GBP</b> ")	Kelowna, British Columbia	100%
GreenTec Holdings Ltd. (" <b>GreenTec</b> ")	Kelowna, British Columbia	100%
GreenTec Retail Ventures Inc.	Kelowna, British Columbia	100%
Grey Bruce Farms Incorporated (" <b>Grey Bruce</b> ")	Tiverton, Ontario	100%
Spectre Labs Inc.	Kelowna, British Columbia	100%
The Flowr Group (Okanagan) Inc. (" <b>Flowr Okanagan</b> ")	Kelowna, British Columbia	100%
Tumbleweed Farms Corp. (" <b>Tumbleweed</b> ")	Chase, British Columbia	100%

Subsidiaries are entities that the Company controls. Control is defined as the exposure, or rights, to variable returns from involvement with an investee and the ability to affect those returns through power over the investee. Power over an investee exists when the Company has existing rights and the ability to direct the activities that significantly affect the investee's returns. This control is generally evidenced through owning more than 50% of the voting rights or currently exercisable potential voting rights of a company's share capital. All inter-company balances and transactions, including unrealized profits and losses arising from intra-group transactions, have been eliminated upon consolidation. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases. The Company operates as a single reportable segment as the chief operating decision maker monitors the business as a whole and makes decisions based on consolidated financial information. Accordingly, no separate segment information is presented in these financial statements.

## AVANT BRANDS INC.

### Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, Expressed in Thousands of Canadian Dollars Except Share Amounts)

### 3 Adoption of new accounting pronouncements

#### a) New standards and interpretations not yet adopted:

Certain amendments to accounting standards have been published that are not mandatory for the current reporting period and have not been early adopted by the group. These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

- Presentation and Disclosure in Financial Statements – IFRS 18

#### b) New and amended standards adopted by the Company:

The following accounting standard has become applicable for the current reporting period. The amendment listed below did not have any impact on the amounts, presentation, classification or disclosure of amounts recognized in prior periods and is not expected to significantly affect the current or future periods.

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

On October 31, 2022, the IASB issued “Non-current Liabilities with Covenants (Amendments to IAS 1)” to improve the consistency of liability classification and clarify the impact of covenants.

Key amendments include:

- Clarification that classification of liabilities is based on rights that exist at the reporting date, regardless of expectations of settlement.
- Introduction of new disclosure requirements regarding covenants attached to non-current liabilities, including the nature of the covenants and when they are due to be tested.

The amendments to IAS 1 had no material impact on the Company’s financial statements as liability classifications and related disclosures were unaffected.

### 4 Trade and other receivables

As at August 31, 2025, and November 30, 2024, trade and other receivables consisted of:

	August 31, 2025	November 30, 2024
Trade accounts receivable	\$4,336	\$6,746
Other receivables	-	38
<b>Total</b>	<b>\$4,336</b>	<b>\$6,784</b>

As at August 31, 2025, and November 30, 2024, the Company performed an analysis over its aged receivables balance by customer. The majority of receivables are from government bodies, which generally have low default risk. The balance by customer review showed a history of collections from trade and other receivables being reasonably assured. From the review, the Company noted that no further allowance is required, and the Company recognized a \$nil provision for allowance for doubtful accounts as at August 31, 2025 (November 30, 2024: \$nil).

### 5 Prepaid expenses and deposits

As at August 31, 2025, and November 30, 2024, prepaid expenses and deposits consisted of:

	August 31, 2025	November 30, 2024
Packaging material prepayments	\$-	\$90
Deposits and other	774	919
<b>Total</b>	<b>\$774</b>	<b>\$1,009</b>

## AVANT BRANDS INC.

### Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, Expressed in Thousands of Canadian Dollars Except Share Amounts)

## 6 Biological assets

The following is the continuity of biological assets:

	August 31, 2025	November 30, 2024
Carrying amount, opening	\$6,655	\$8,033
Production costs	14,879	18,263
Changes in fair value less costs to sell due to biological transformation	5,478	2,659
Transferred to inventory upon harvest	(23,037)	(22,300)
<b>Total</b>	<b>\$3,975</b>	<b>\$6,655</b>

As at August 31, 2025, it is estimated that the Company's biological assets will yield approximately 1,419,469 grams of flower (November 30, 2024: 2,238,535 grams) and 300,980 grams of trim when harvested (November 30, 2024: 552,031 grams). The Company's biological assets yielded 9,884 kilograms of cannabis for the nine-month period ended August 31, 2025 (August 31, 2024: 9,858 kilograms). As at August 31, 2025, the Company has determined the average fair value less cost to sell to be \$2.80 per gram of flower (November 30, 2024: \$2.97) and \$nil per gram of trim (November 30, 2024: \$nil).

As of August 31, 2025, a change of 10% in the estimated yield per plant, growth cycle, and fair value less cost to sell of dry cannabis would result in the variances noted below to the fair value of biological assets:

Assumption	August 31, 2025	+/- 10%
Yield per plant	57 - 92 grams of flower and 12 – 21 grams of trim per plant	\$397
FV less cost to sell	\$2.80 per gram of flower and \$nil per gram of trim	403
Estimated stage of growth	0% - 100% of Life Cycle per stage	397

## 7 Inventory

The Company's inventories are comprised of the following balances as at August 31, 2025, and November 30, 2024:

	August 31, 2025	November 30, 2024
Dry cannabis		
Available for packaging	\$8,050	\$8,439
Packaged inventory	1,116	1,286
Packaging materials	226	314
<b>Total</b>	<b>\$9,392</b>	<b>\$10,039</b>

As at August 31, 2025, the Company holds 6,451,887 grams of harvested cannabis (November 30, 2024: 3,807,500 grams), which is comprised of 3,599,871 grams of harvested flower and 2,852,016 grams of harvested trim (November 30, 2024: 2,845,385 grams of harvested flower and 962,115 grams of harvested trim).

The Company recognized \$19,259 as inventory expense relating to cannabis sold during the nine-month period ended August 31, 2025 (August 31, 2024: \$12,874).

## AVANT BRANDS INC.

### Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, Expressed in Thousands of Canadian Dollars Except Share Amounts)

## 8 Property, plant and equipment

	Land	Buildings	Construction in-process	Growing and processing equipment	Right-of-use asset	Leasehold Improvements	Other	Total
<b>Cost</b>								
Balance – November 30, 2023	\$1,348	\$9,300	\$6,984	\$13,281	\$11,570	\$7,962	\$345	\$50,790
Additions	-	-	1	70	1	-	35	107
Disposals	-	-	-	(9)	-	-	(3)	(12)
Impairment	-	-	(3,773)	-	-	-	-	(3,773)
Lease modification	-	-	-	-	381	-	-	381
Balance – November 30, 2024	\$1,348	\$9,300	\$3,212	\$13,342	\$11,952	\$7,962	\$377	\$47,493
Additions	-	-	-	13	-	-	16	29
Transfer	-	-	-	21	-	-	(21)	-
Lease modification	-	-	-	-	(54)	-	-	(54)
<b>Balance – August 31, 2025</b>	<b>\$1,348</b>	<b>\$9,300</b>	<b>\$3,212</b>	<b>\$13,376</b>	<b>\$11,898</b>	<b>\$7,962</b>	<b>\$372</b>	<b>\$47,468</b>
<b>Accumulated depreciation</b>								
Balance – November 30, 2023	\$-	\$(2,451)	\$-	\$(3,540)	\$(2,011)	\$(3,217)	\$(287)	\$(11,506)
Additions	-	(458)	-	(1,511)	(767)	(1,374)	(55)	(4,165)
Disposals	-	-	-	-	-	-	-	-
Balance – November 30, 2024	\$-	\$(2,909)	\$-	\$(5,051)	\$(2,778)	\$(4,591)	\$(342)	\$(15,671)
Additions	-	(347)	-	(1,126)	(605)	(1,020)	-	(3,098)
Disposals	-	-	-	-	-	-	-	-
<b>Balance – August 31, 2025</b>	<b>\$-</b>	<b>\$(3,256)</b>	<b>\$-</b>	<b>\$(6,177)</b>	<b>\$(3,383)</b>	<b>\$(5,611)</b>	<b>\$(342)</b>	<b>\$(18,769)</b>
<b>Net book value</b>								
November 30, 2024	\$1,348	\$6,391	\$3,212	\$8,291	\$9,174	\$3,371	\$35	\$31,822
<b>August 31, 2025</b>	<b>\$1,348</b>	<b>\$6,044</b>	<b>\$3,212</b>	<b>\$7,199</b>	<b>\$8,515</b>	<b>\$2,351</b>	<b>\$30</b>	<b>\$28,699</b>

During the nine-month period ended August 31, 2025, the Company allocated \$1,989 (August 31, 2024: \$2,983) of depreciation expense to cost of inventory.

**AVANT BRANDS INC.****Notes to the Condensed Interim Consolidated Financial Statements**

(Unaudited, Expressed in Thousands of Canadian Dollars Except Share Amounts)

**9 Intangible assets and goodwill**

The Company's intangible assets, licenses to sell cannabis, are considered definite lived.

	<b>Intangible asset</b>	<b>Goodwill</b>	<b>Total</b>
<b>Cost</b>			
Balance – November 30, 2023	\$5,589	\$6,024	\$11,613
Balance – November 30, 2024	5,589	6,024	11,613
<b>Balance – August 31, 2025</b>	<b>\$5,589</b>	<b>\$6,024</b>	<b>\$11,613</b>
<b>Accumulated amortization and impairment</b>			
Balance – November 30, 2023	\$(3,534)	-	\$(3,534)
Amortization	(632)	-	(632)
Impairment	-	(6,024)	(6,024)
Balance – November 30, 2024	(4,166)	(6,024)	(10,190)
Amortization	(290)	-	(290)
<b>Balance – August 31, 2025</b>	<b>\$(4,456)</b>	<b>\$(6,024)</b>	<b>\$(10,480)</b>
<b>Net book value</b>			
Balance – November 30, 2024	\$1,423	\$-	\$1,423
<b>Balance – August 31, 2025</b>	<b>\$1,133</b>	<b>\$-</b>	<b>\$1,133</b>

**AVANT BRANDS INC.****Notes to the Condensed Interim Consolidated Financial Statements**

(Unaudited, Expressed in Thousands of Canadian Dollars Except Share Amounts)

**10 Lease liabilities**

The following is the continuity of lease liabilities:

<b>Liability carrying value, November 30, 2023</b>	<b>\$10,044</b>
Lease modification	536
Lease payments	(1,395)
Interest expense on lease liability	1,011
<b>Liability carrying value, November 30, 2024</b>	<b>\$10,196</b>
Lease modification	(54)
Principal and interest payments	(1,008)
Interest and accretion	741
<b>Liability carrying value, August 31, 2025</b>	<b>\$9,875</b>
<b>Liability component current portion</b>	<b>\$1,217</b>
<b>Liability component long-term portion</b>	<b>\$8,658</b>

**11 Convertible debenture - A**

The following is the continuity schedule for convertible debenture A:

<b>Liability component carrying value, November 30, 2023</b>	<b>\$4,658</b>
Principal and interest payments	(1,465)
Interest and accretion	604
Extinguished debt	(5,442)
New debt	3,310
<b>Liability component carrying value, November 30, 2024</b>	<b>\$1,665</b>
Principal and interest payments	(1,497)
Interest and accretion	125
<b>Liability component carrying value, August 31, 2025</b>	<b>\$293</b>
<b>Equity conversion feature, November 30, 2023</b>	<b>\$515</b>
Debt modification - Reclassification	(515)
<b>Equity conversion feature carrying value, November 30, 2024</b>	<b>\$-</b>
<b>Equity conversion feature carrying value, August 31, 2025</b>	<b>\$-</b>
<b>Liability component current portion</b>	<b>\$293</b>
<b>Liability component long-term portion</b>	<b>\$-</b>

On May 26, 2025, the Company entered into an agreement to exchange 210,084 shares at \$0.71 per share of the Company's stock in lieu of a cash payment. The fair value of the shares was determined to be \$0.71 due to a discount on time restricted lack of marketability with no gain or loss recognized.

**AVANT BRANDS INC.****Notes to the Condensed Interim Consolidated Financial Statements**

(Unaudited, Expressed in Thousands of Canadian Dollars Except Share Amounts)

**12 Secured credit facility**

The following is the continuity schedule for the secured credit facility:

<b>Secured facility financial liability, November 30, 2023</b>	<b>\$3,273</b>
Principal and interest payments	(1,461)
Interest and accretion	513
<b>Secured facility financial liability, November 30, 2024</b>	<b>\$2,325</b>
Principal and interest payments	(1,096)
Interest and accretion	259
<b>Secured facility financial liability, August 31, 2025</b>	<b>\$1,488</b>
<b>Warrants - equity instrument, November 30, 2023</b>	<b>\$84</b>
<b>Warrants - equity instrument, November 30, 2024</b>	<b>\$84</b>
<b>Warrants - equity instrument, August 31, 2025</b>	<b>\$84</b>
<b>Secured facility current portion</b>	<b>\$1,433</b>
<b>Secured facility long-term portion</b>	<b>\$55</b>

**13 Convertible debenture - B**

The following is the continuity of convertible debenture B:

<b>Liability component carrying value, November 30, 2023</b>	<b>\$-</b>
New debt	3,398
Interest and accretion	204
<b>Liability component carrying value, November 30, 2024</b>	<b>\$3,602</b>
Principal and interest payments	(1,075)
Interest and accretion	400
Debt modification	-
<b>Liability component carrying value, August 31, 2025</b>	<b>\$2,927</b>
<b>Derivative liability conversion option, November 30, 2024</b>	<b>\$-</b>
Debt modification – Recognition of derivative liability	654
<b>Derivative liability conversion option, May 31, 2025</b>	<b>\$654</b>
Unrealized gain on derivative liability	(119)
<b>Derivative liability conversion option, August 31, 2025</b>	<b>\$535</b>
<b>Liability component current portion</b>	<b>\$1,255</b>
<b>Liability component long-term portion</b>	<b>\$1,672</b>

## AVANT BRANDS INC.

### Notes to the Condensed Interim Consolidated Financial Statements

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On May 31, 2025, shareholders approved that the Company entered into a repricing agreement under the following terms:

- (i) The exercise price of the warrants was reduced from \$3 to \$1.75
- (ii) The conversion price of the convertible debt was amended from a fixed price of \$3 to a tiered conversion structure based on the following tiers:
  - Tier 1- Conversion price of \$1.25 up to August 31, 2025
  - Tier 2 - Conversion price of \$1.50 up to November 30, 2025
  - Tier 3 - Conversion price of \$1.75 till maturity of convertible debenture B
- (iii) The lender retains the right to lock in any of the tiered conversion prices listed above in the event that more than 50% of the principal amount of the debt portion is converted.

On initial measurement, the Company assessed that the repricing agreement was an inducement to convert and substantially modified the terms of the convertible debenture resulting in the extinguishment of the existing instrument and recognition of a new financial instrument. The modification included recognition of a new conversion feature as a derivative liability and remeasurement of the warrants. The difference in assessed fair value of the new instrument and old instrument resulted in a loss of \$609.

The initial fair value of the repriced conversion feature was calculated using a Black-Scholes option pricing model and an expected value approach for the tiered conversion prices, based on management's estimate of probability-weighted outcomes. Fair value of Tier 1 was determined to be \$1,083 with fair value inputs of an exercise price of \$1.25, measurement date price of \$0.82, volatility of 86.65%, risk-free rate of 2.64% and an expected life of 3.17 years. Fair value of Tier 2 was determined to be \$724 with fair value inputs of an exercise price of \$1.50, measurement date price of \$0.82, volatility of 86.65%, risk-free rate of 2.64% and an expected life of 2.92 years. Fair value of Tier 3 was determined to be \$488 with fair value inputs of an exercise price of \$1.75, measurement date price of \$0.82, volatility of 86.65%, risk-free rate of 2.64% and an expected life of 2.67 years. Management assessed the estimate of probability for Tier 1 conversion to be 20%, Tier 2 conversion to be 20% and Tier 3 conversion to be 60%. The fair value of the repriced conversion feature was determined to be \$654.

The initial fair value of the warrants was calculated using a Black-Scholes option pricing model. Fair value was determined to be \$406 with fair value inputs of an exercise price of \$1.75, measurement date price of \$0.82, volatility of 86.65%, risk-free rate of 2.64% and an expected life of 3.17 years.

As of August 31, 2025, the conversion feature was revalued using a Black-Scholes option pricing model and an expected value approach for the tiered conversion prices, based on management's estimate of probability-weighted outcomes. Fair value of Tier 1 was determined to be \$nil with fair value inputs of an exercise price of \$1.25, measurement date price of \$0.82, volatility of 86.65%, risk-free rate of 2.64% and an expected life of nil years. Fair value of Tier 2 was determined to be \$724 with fair value inputs of an exercise price of \$1.50, measurement date price of \$0.82, volatility of 86.65%, risk-free rate of 2.64% and an expected life of 2.92 years. Fair value of Tier 3 was determined to be \$488 with fair value inputs of an exercise price of \$1.75, measurement date price of \$0.82, volatility of 86.65%, risk-free rate of 2.64% and an expected life of 2.67 years. Management assessed the estimate of probability for Tier 1 conversion to be nil%, Tier 2 conversion to be 20% and Tier 3 conversion to be 80%. The fair value of the repriced conversion feature was determined to be \$535, resulting in an unrealized gain of \$119.

## 14 Share capital

The Company has an unlimited number of common shares without par value authorized for issuance. The Company also has an unlimited number of preference shares without par value authorized for issuance.

### (a) Issued shares

During the nine months ended August 31, 2025:

- (i) The Company issued 175,952 common shares in connection with employment compensation agreements and share units released, resulting in a decrease to contributed surplus of \$270 and an increase in share capital of \$270.
- (ii) The Company issued 115,638 common shares to service providers in connection with services received, resulting in a decrease to contributed surplus of \$410 and an increase in share capital of \$410.
- (iii) The Company issued 210,084 common shares to partially extinguished convertible debenture A, resulting in an increase in share capital of \$149 (Note 11).

## AVANT BRANDS INC.

### Notes to the Condensed Interim Consolidated Financial Statements

(Unaudited, Expressed in Thousands of Canadian Dollars Except Share Amounts)

- (iv) The Company issued 67,229 common shares for a legal settlement, resulting in an increase in share capital of \$52 (Note 19).
- (v) As a result of the substantial modification to convertible debenture B, the company reduced contributed surplus by \$452 upon derecognition and recognized \$406 for warrants issued.

During the nine months ended August 31, 2024:

- (i) The Company issued 86,935 common shares to service providers in connection with services received, resulting in a decrease to contributed surplus of \$291 and an increase in share capital of \$331.
- (ii) The Company issued 124,172 common shares in connection with employment compensation agreements and share units released, resulting in a decrease to contributed surplus of \$167 and an increase in share capital of \$295.
- (iii) The Company issued 53,571 common shares with a fair value of \$225 to one of its officers in lieu of the bonus payable (Note 17).
- (iv) The Company issued 46,240 common shares valued at \$121 in connection with the renegotiation and settlement of the promissory note.
- (v) The Company issued 545,171 common shares valued at \$1,799 in connection with the renegotiation of the convertible debenture A.
- (vi) On June 3, 2024, the Company completed a non-brokered private placement consisting of 938,562 units at a price of \$2.55 per unit. Each unit consisted of a single common share and one-half of a common share purchase warrant. The Company received gross proceeds of \$687 and offset \$1,707 of existing liabilities, including \$600 of principal of convertible debenture A. The extinguishment of liabilities resulted in a loss of \$166. The Company issued 938,562 common shares valued at \$1,783 and 474,613 (including finder's warrants) warrants valued at \$744. The Company incurred \$33 in transaction costs and issued 5,333 finder's warrants valued at \$7.
- (vii) The Company entered into a cultivar supply agreement. Under the agreement, the Company issued 150,000 common shares to be held in escrow and 36,190 shares were returned to escrow (Note 15.b). As of August 31, 2024, this resulted in an increase in share capital of \$180. The shares issued are accounted for as equity-settled share-based payments with non-employees under IFRS 2.
- (viii) The Company issued 1,300,000 warrants valued at \$226 (Note 15.c.) and recognized a conversion feature relating to convertible debenture B (Note 13) valued at \$226. The equity components were valued based on residual value after fair valuing the debt portion which was then allocated based on the relative fair value method.

#### (b) Escrow shares.

As of August 31, 2025, the Company has 11,199,601 issued common shares, with nil common shares being held in escrow.

#### (c) Share purchase warrants

Warrant transactions are summarized as follows:

	Number of share purchase warrants	Weighted average exercise price
<b>Balance – November 30, 2023</b>	<b>1,452,208</b>	<b>\$24.90</b>
Granted	1,820,446	3.27
Expired	(1,227,208)	26.86
<b>Balance – November 30, 2024</b>	<b>2,045,446</b>	<b>\$4.47</b>
Granted	1,300,000	1.75
Cancelled	(1,300,000)	3.00
Expired	(166,667)	15.00
<b>Balance – August 31, 2025</b>	<b>1,878,779</b>	<b>\$2.67</b>

## AVANT BRANDS INC.

### Notes to the Condensed Interim Consolidated Financial Statements

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The weighted average outstanding life of warrants outstanding as at August 31, 2025, is 2.49 years (November 30, 2024: 3.03 years).

At August 31, 2025, the following share purchase warrants were outstanding:

Number of share purchase warrants	Exercise price per share	Expiry date
45,833	\$7.50	February 23, 2026
58,333	\$9.00	July 14, 2026
474,613	\$3.60	June 3, 2027
1,300,000	\$1.75	July 26, 2028
<b>1,878,779</b>		

## 15 Stock-based compensation

### (a) Stock options

Stock option transactions are summarized as follows:

	Number of shares	Weighted average exercise price
<b>Balance – November 30, 2023</b>	<b>535,704</b>	<b>\$6.90</b>
Expired/cancelled	(66,250)	9.91
<b>Balance – November 30, 2024</b>	<b>469,454</b>	<b>\$6.48</b>
Expired	(168,667)	8.08
Cancelled	(300,787)	5.58
<b>Balance – August 31, 2025</b>	<b>-</b>	<b>\$-</b>

The weighted average outstanding life of stock options outstanding as at August 31, 2025, is nil years (November 30, 2024: 0.84 years).

As at August 31, 2025, there are no stock options outstanding.

### (b) Share-based payments

During the nine-month and three-month periods ended August 31, 2025, the Company recorded share-based payment expense of \$873 and \$35 respectively (August 31, 2024: \$725 and \$298 respectively).

The share-based payments represent the fair value of stock options vested during nine-month period ended August 31, 2025, and are estimated on the grant date using the Black-Scholes option pricing model. The share-based payments also consist of common shares issued for services during the period.

**AVANT BRANDS INC.****Notes to the Condensed Interim Consolidated Financial Statements**

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**(c) Restricted Stock Units (“RSUs”) and Deferred Stock Units (“DSUs”)**

RSU and DSU transactions are summarized as follows:

	Number of RSUs and DSUs	Weighted average issue price
<b>Balance – November 30, 2023</b>	<b>123,190</b>	<b>\$9.00</b>
Granted	423,500	3.13
Vested and released	(317,355)	3.83
Forfeited	(6,482)	5.40
<b>Balance – November 30, 2024</b>	<b>222,853</b>	<b>\$5.31</b>
Granted	860,644	1.12
Vested and released	(168,642)	0.80
Forfeited	(24,167)	3.00
<b>Balance – August 31, 2025</b>	<b>890,688</b>	<b>\$2.18</b>

The weighted average outstanding life of RSUs and DSUs outstanding as at August 31, 2025, is 1.46 years (November 30, 2024: 0.79 years). Share-based payments included \$873 of RSU and DSU expense (August 31, 2024: \$113).

At August 31, 2025, the following RSUs and DSUs were outstanding:

Number of RSUs and DSUs	Grant date	Vesting Date
10,606	Feb. 23, 2024	Mar. 1, 2026 - Mar. 1, 2027
4,762	Jul. 5, 2024	Jun. 22, 2025 - Jun. 22, 2026
13,333	Aug. 6, 2024	Aug. 6, 2025 - Aug. 6, 2027
193,750	Mar. 10, 2025	Mar. 3, 2027
53,122	Mar. 1, 2022	Mar. 1, 2022 - Mar. 1, 2023
19,444	Jan. 9, 2023	Apr. 14, 2023 - Feb. 28, 2024
24,242	Jul. 29, 2024	Sep. 5, 2023 - Sep. 23, 2024
571,429	Mar. 3, 2025	Mar. 3, 2025
<b>890,688</b>		

## AVANT BRANDS INC.

### Notes to the Condensed Interim Consolidated Financial Statements

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#### 16 Net revenue

The Company's total net revenues were as follows:

	Three months ended		Nine months ended	
	August 31, 2025	August 31, 2024	August 31, 2025	August 31, 2024
Recreational revenue	\$3,002	\$2,974	\$8,682	\$9,690
Provision for sales returns and allowances	(300)	(200)	(300)	(200)
Net recreational revenue	\$2,702	\$2,774	\$8,382	\$9,490
Domestic wholesale revenue	2,280	560	4,521	2,812
Export wholesale revenue	4,269	5,060	13,019	12,106
Medical revenue	10	25	45	61
Management fees and other revenue	151	46	550	362
<b>Total</b>	<b>\$9,412</b>	<b>\$8,465</b>	<b>\$26,517</b>	<b>\$24,831</b>

#### 17 Related party transactions

##### Key management compensation

All transactions with related parties have occurred in the normal course of operations. Key management is comprised of directors and executive officers.

Key management compensation periods ended August 31, 2025, and August 31, 2024, consists of the following:

	Three months ended		Nine months ended	
	August 31, 2025	August 31, 2024	August 31, 2025	August 31, 2024
Salaries and wages	\$116	\$508	\$385	\$730
Director fees	49	81	128	126
Share-based payments	-	260	11	385
<b>Total</b>	<b>\$165</b>	<b>\$849</b>	<b>\$524</b>	<b>\$1,241</b>

##### Related party balances and transactions

As at August 31, 2025, due to related party payable included \$173 (November 30, 2024: \$143) due to directors of the Company in connection with accrued directors' fees and \$317 (November 30, 2024: \$325) due to officers of the company in connection with accrued compensation. All balances are unsecured with no associated guarantees and no fixed repayment date.

Due from related party receivable included a loan made to a related party, on December 5, 2024, the Company issued \$100 as part of a short-term loan agreement to a related party. The loan bears interest at a below market rate of 8.5%. The loan has no associated guarantee nor fixed repayment date. The loan has incurred interest income of \$6.

## AVANT BRANDS INC.

### Notes to the Condensed Interim Consolidated Financial Statements

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## 18 Financial instruments

### Fair value classification of financial instruments

Below is a comparison, by class, of the carrying amounts and fair values of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values.

	Amortized cost	Fair Value through Profit or Loss	Total
<b>Liabilities</b>			
Convertible debenture A	\$293	\$-	<b>\$293</b>
Convertible debenture B	2,927	-	<b>2,927</b>
Convertible debenture B - conversion option	-	535	<b>535</b>
Secured credit facility	1,488	-	<b>1,488</b>

### Maturity risk

The following table summarizes the maturities of the Company's financial liabilities as at August 31, 2025, based on the undiscounted contractual cash flows:

	Carrying value	Contractual cash flows	< 1 year	1 - 5 years	>5 years
Accounts payable and accrued liabilities	\$6,784	\$6,784	\$6,784	\$-	\$-
Lease liabilities	9,875	20,867	1,311	4,937	14,619
Secured credit facility	1,488	2,000	1,461	539	-
Convertible debenture A	293	299	299	-	-
Convertible debenture B	2,927	3,719	1,255	2,464	-
<b>Total</b>	<b>\$21,367</b>	<b>\$33,669</b>	<b>\$11,110</b>	<b>\$7,940</b>	<b>\$14,619</b>

## 19 Commitments and contingencies

From time to time, the Company is engaged in various legal proceedings and claims that have arisen in the normal course of business. The following table summarizes the legal provision outstanding as at August 31, 2025:

<b>Legal provision balance, November 30, 2024</b>	<b>\$1,000</b>
Legal provision recognized	(518)
<b>Legal provision balance, August 31, 2025</b>	<b>\$482</b>

The outcome of all the proceedings and claims against the Company is subject to future resolution, including the uncertainties of litigation. Management believes that the probable ultimate resolution of any such proceedings and claims, individually or in the aggregate, will not have a material adverse effect on the financial condition of the Company. As at August 31, 2025, the Company has accrued a provision of \$482 related to certain legal proceedings for which the outflow of resources is uncertain at this time.

Additionally, the Company may enter into contracts for services in the normal course of operations. The Company's current contractual commitments vary in terms and can be terminated upon sufficient notice. The Company has the following outstanding commitments based on achieving certain milestones.

## AVANT BRANDS INC.

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#### **GBP commitment**

As at August 31, 2025, in connection with a previously completed asset acquisition, the Company has committed to issue common shares valued at \$2,500 contingent on future events as follows:

<b>Trigger event</b>	
Completion of GBP construction of a Health Canada approved cannabis production facility in compliance with the CA&R	\$500
GBP obtaining a license to sell cannabis under the CA&R	500
GBP having sold an aggregate of 3,000 kg of dried cannabis	750
GBP completing construction of an expansion to its production facility to increase production by at least 8,500 kg per annum and receiving an amendment to its production and sales licences	750
	<b>\$2,500</b>

## 20 Comparative figures

#### **Change in presentation of revenue note disclosure**

Certain comparative figures in Note 16 have been reclassified to conform with the financial statements presentation in the current period, specifically bulk cannabis sales were disaggregated into export wholesale revenue and domestic wholesale revenues representing new major sales segments for the Company.

#### **Change in presentation of expenses**

The Company reclassified a portion of expenses previously presented as Consulting fees into Brokerage and commission fees to more accurately reflect the nature of the expenses incurred.

Comparative figures for the prior periods have been restated accordingly:

- For the nine months ended August 31, 2024, \$141 was reclassified from Consulting fees to Brokerage and commission fees
- For the three months ended August 31, 2024, \$79 was reclassified from Consulting fees to Brokerage and commission fees.

This reclassification reflects changes in the Company's business activities and cost structure, thereby improving comparability between periods. The reclassification has no impact on total operating expenses, profit or loss, cash flows, assets, or liabilities.

## 21 Subsequent events

On September 26, 2025, the Company entered into an agreement to divest materially all of the ACC assets to a purchaser as a non-cash contribution to settle ongoing litigation. As part of the asset sale, ACC will maintain a sublease on the facility. The Company has recognized a legal provision of \$382 as of August 31, 2025 relating to the litigation.