

**Unaudited Condensed Interim Consolidated Financial Statements of**

**ADVENT-AWI HOLDINGS INC.**

**For the three and nine months ended September 30, 2024 and 2023  
(expressed in Canadian dollars)**

## **ADVENT-AWI HOLDINGS INC.**

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

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of Advent-AWI Holdings Inc. (the Company) have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited 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.

**ADVENT-AWI HOLDINGS INC.****CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

(Unaudited, expressed in Canadian dollars)

	September 30 2024	December 31 2023
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	3,491,933	9,033,602
Trade and other receivables (note 4)	493,853	811,719
Inventories (note 5)	89,832	33,245
Marketable securities (note 6)	5,000,000	2,000,636
Loans receivable - current (note 7)	4,516,510	3,278,264
Income taxes receivable	<u>109,571</u>	<u>28,408</u>
	<u>13,701,699</u>	<u>15,185,874</u>
<b>Non-current assets</b>		
Loans receivable (note 7)	23,467	22,664
Prepaid and deposits	58,987	58,987
Right-of-use assets (note 8)	700,268	607,139
Property, plant and equipment (note 9)	452,622	465,111
Investment properties (note 10)	832,341	859,260
Deferred income tax assets (note 14)	<u>56,437</u>	<u>71,614</u>
	<u>2,124,122</u>	<u>2,084,775</u>
<b>Total assets</b>	<u><u>15,825,821</u></u>	<u><u>17,270,649</u></u>

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

**ADVENT-AWI HOLDINGS INC.****CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

(Unaudited, expressed in Canadian dollars)

	September 30 2024	December 31 2023
	\$	\$
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade accounts payable	806,235	1,203,271
Other payables and accrued liabilities	590,637	954,393
Government remittances payable	14,317	38,889
Tenant deposits	17,000	17,000
Lease liabilities - current (note 8)	158,548	138,580
Income taxes payable	78,770	-
Loans payable (note 11)	<u>150,000</u>	<u>150,000</u>
	1,815,507	2,502,133
<b>Non-current liabilities</b>		
Lease liabilities (note 8)	<u>574,762</u>	<u>484,900</u>
<b>Total liabilities</b>	<u>2,390,269</u>	<u>2,987,033</u>
<b>SHAREHOLDERS' EQUITY</b>		
<b>Capital stock</b> (note 12)	4,274,676	4,274,676
<b>Contributed surplus</b>	623,971	623,971
<b>Retained earnings</b>	<u>8,330,239</u>	<u>9,281,253</u>
<b>Capital attributable to shareholders of Advent-AWI Holdings Inc.</b>	13,228,886	14,179,900
<b>Non-controlling interests</b>	<u>206,666</u>	<u>103,716</u>
<b>Total shareholders' equity</b>	<u>13,435,552</u>	<u>14,283,616</u>
<b>Total liabilities and shareholders' equity</b>	<u>15,825,821</u>	<u>17,270,649</u>

**General information** (note 1)**Commitments** (note 17)**APPROVED BY THE BOARD OF DIRECTORS**

\_\_\_\_\_  
*"Edgar Pang"* Director  
Edgar Pang

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*"Alice Chiu"* Director  
Alice Chiu

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

**ADVENT-AWI HOLDINGS INC.**
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME**

(Unaudited, expressed in Canadian dollars)

	3 months ended September 30		9 months ended September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
<b>Revenue</b> (note 20)				
Wireless revenue	977,634	1,127,888	2,947,139	3,001,259
Financing revenue (note 7)	<u>272,586</u>	<u>267,730</u>	<u>867,623</u>	<u>718,262</u>
<b>Total revenue</b>	1,250,220	1,395,618	3,814,762	3,719,521
<b>Cost of sales</b> (note 5)	<u>503,573</u>	<u>627,316</u>	<u>1,493,976</u>	<u>1,717,631</u>
<b>Gross profit</b>	<u>746,647</u>	<u>768,302</u>	<u>2,320,786</u>	<u>2,001,890</u>
<b>Expenses</b>				
General and administration (note 13)	626,290	696,278	1,870,875	1,878,819
Advertisement and promotion	801	184	5,216	1,896
Amortization of right-of-use assets (note 8)	43,955	23,129	131,469	108,562
Amortization of property, plant and equipment	5,820	5,739	17,258	17,138
Amortization of investment properties (note 10)	<u>8,973</u>	<u>8,973</u>	<u>26,919</u>	<u>26,919</u>
<b>Total expenses</b>	<u>685,839</u>	<u>734,303</u>	<u>2,051,737</u>	<u>2,033,334</u>
<b>Operating income (loss)</b>	<u>60,808</u>	<u>33,999</u>	<u>269,049</u>	<u>(31,444)</u>
<b>Other income</b>				
Rental income	38,181	27,500	101,254	78,342
Interest income	<u>11,674</u>	<u>25,791</u>	<u>68,441</u>	<u>54,848</u>
	<u>49,855</u>	<u>53,291</u>	<u>169,695</u>	<u>133,190</u>
<b>Income before income taxes</b>	110,663	87,290	438,744	101,746
Provision for income taxes (note 14)	<u>(23,408)</u>	<u>(18,867)</u>	<u>(93,257)</u>	<u>(10,670)</u>
<b>Total net income and comprehensive income for the period</b>	<u>87,255</u>	<u>68,423</u>	<u>345,487</u>	<u>91,076</u>
Net income attributable to				
Shareholders of Advent-AWI Holdings Inc.	59,272	49,125	242,537	33,350
Non-controlling interests	<u>27,983</u>	<u>19,298</u>	<u>102,950</u>	<u>57,726</u>
	<u>87,255</u>	<u>68,423</u>	<u>345,487</u>	<u>91,076</u>
<b>Basic and diluted, income per share for net income attributable to the ordinary equity holders of the company</b> (note 16)	0.0050	0.0041	0.0203	0.0028

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

**ADVENT-AWI HOLDINGS INC.**

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

(Unaudited, expressed in Canadian dollars)

	Share Capital \$	Contributed Surplus \$	Retained Earnings \$	Non-controlling Interests \$	Total Shareholders' Equity \$
<b><u>Nine months ended September 30, 2024</u></b>					
Balance - December 31, 2023	4,274,676	623,971	9,281,253	103,716	14,283,616
Net income attributable to non-controlling interests for the period	-	-	-	102,950	102,950
Net income attributable to shareholders of Advent-AWI Holdings Inc. for the period	<u>-</u>	<u>-</u>	<u>242,537</u>	<u>-</u>	<u>242,537</u>
Dividends paid	<u>-</u>	<u>-</u>	<u>(1,193,551)</u>	<u>-</u>	<u>(1,193,551)</u>
Balance - September 30, 2024	<u><u>4,274,676</u></u>	<u><u>623,971</u></u>	<u><u>8,330,239</u></u>	<u><u>206,666</u></u>	<u><u>13,435,552</u></u>
<b><u>Nine months ended September 30, 2023</u></b>					
Balance - December 31, 2022	4,274,676	623,971	9,743,682	81,917	14,724,246
Net income attributable to non-controlling interests for the period	-	-	-	57,726	57,726
Net income attributable to shareholders of Advent-AWI Holdings Inc. for the period	-	-	33,350	-	33,350
Dividends paid	<u>-</u>	<u>-</u>	<u>(596,776)</u>	<u>-</u>	<u>(596,776)</u>
Balance - September 30, 2023	<u><u>4,274,676</u></u>	<u><u>623,971</u></u>	<u><u>9,180,256</u></u>	<u><u>139,643</u></u>	<u><u>14,218,546</u></u>

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

**ADVENT-AWI HOLDINGS INC.****CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

(Unaudited, expressed in Canadian dollars)

	<b>3 months ended September 30</b>		<b>9 months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Cash flows used in operating activities</b>				
Net income for the period	87,255	68,423	345,487	91,076
Items not affecting cash				
Depreciation - right-of-use assets	43,955	23,129	131,469	108,562
Amortization of property, plant and equipment	5,820	5,739	17,258	17,138
Amortization of investment properties	8,973	8,973	26,919	26,919
Interest expense	9,809	28,006	30,066	30,315
Interest income	(11,674)	(25,791)	(68,441)	(54,848)
Current income tax expense	16,627	23,188	78,080	19,007
Deferred income tax expense	<u>6,781</u>	<u>(4,321)</u>	<u>15,177</u>	<u>(8,337)</u>
	<u>167,546</u>	<u>127,346</u>	<u>576,015</u>	<u>229,832</u>
Changes in non-cash working capital items				
Trade and other receivables	110,196	(41,360)	317,866	61,641
Inventories	(54,346)	19,654	(56,587)	19,201
Prepaid expenses and deposits	212,000	1,689	-	21,890
Trade accounts payable	218,795	173,041	(397,036)	(640,705)
Other payables and accrued liabilities	29,260	30,464	(363,756)	107,024
Government remittances payable	(7,745)	7,027	(24,572)	8,650
Loans receivable	<u>(363,660)</u>	<u>(135,107)</u>	<u>(1,239,049)</u>	<u>(1,210,587)</u>
	<u>144,500</u>	<u>55,408</u>	<u>(1,763,134)</u>	<u>(1,632,886)</u>
Taxes paid	<u>(16,455)</u>	<u>(15,517)</u>	<u>(80,473)</u>	<u>(161,987)</u>
<b>Net cash flows used in operating activities</b>	<u>295,591</u>	<u>167,237</u>	<u>(1,267,592)</u>	<u>(1,565,041)</u>

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

**ADVENT-AWI HOLDINGS INC.**

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**

(Unaudited, expressed in Canadian dollars)

	3 months ended September 30		9 months ended September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Balance carryforward				
<b>Net cash flows used in operating activities</b>	<u>295,591</u>	<u>167,237</u>	<u>(1,267,592)</u>	<u>(1,565,041)</u>
<b>Cash flows used in investing activities</b>				
Purchase of property, plant and equipment	(4,209)	-	(4,769)	(2,066)
Maturity of guaranteed investment certificates	2,080,000	-	4,000,638	-
Investment in guaranteed investment certificates	-	-	(7,000,000)	(1,899,513)
Interest received	<u>11,674</u>	<u>25,791</u>	<u>68,441</u>	<u>54,848</u>
<b>Net cash flows used in investing activities</b>	<u>2,087,465</u>	<u>25,791</u>	<u>(2,935,690)</u>	<u>(1,846,731)</u>
<b>Cash flows used in financing activities</b>				
Lease payments	<u>(48,445)</u>	<u>(48,194)</u>	<u>(144,836)</u>	<u>(142,781)</u>
Dividends paid	<u>(1,193,551)</u>	<u>(596,776)</u>	<u>(1,193,551)</u>	<u>(596,776)</u>
<b>Net cash flows used in financing activities</b>	<u>(1,241,996)</u>	<u>(644,970)</u>	<u>(1,338,387)</u>	<u>(739,557)</u>
<b>Net change in cash</b>	1,141,060	(451,942)	(5,541,669)	(4,151,329)
<b>Cash and cash equivalents - beginning of period</b>	<u>2,350,873</u>	<u>2,689,315</u>	<u>9,033,602</u>	<u>6,388,702</u>
<b>Cash and cash equivalents - end of period</b>	<u>3,491,933</u>	<u>2,237,373</u>	<u>3,491,933</u>	<u>2,237,373</u>

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

## ADVENT-AWI HOLDINGS INC.

### Notes to Condensed Interim Consolidated Financial Statements

#### For the three and nine months ended September 30, 2024 and 2023

(Unaudited, expressed in Canadian dollars)

#### 1. General information

Advent-AWI Holdings Inc. (the "Company"), formerly known as Advent Wireless Inc., was incorporated on February 14, 1984 in British Columbia, Canada. The Company together with its wholly owned subsidiaries, Am-Call Wireless Inc., 1013929 B.C. Ltd and Advent Marketing Inc., sells cellular and wireless products, services and accessories through an independent network of four stores in Ontario, Canada as at September 30, 2024.

Commencing in 2016, the Company is a 70% owner of Adwell Financial Services Inc., a microfinancing company. The remaining interest is held equally between Adwealth Capital Holdings Inc. and Q&Y Holdings Inc.

The Company's registered office is 550 West Broadway, Unit 719, Vancouver, Canada, V5Z 0E9.

#### 2. Basis of preparation of the condensed interim consolidated financial statements

These unaudited condensed interim consolidated financial statements were prepared on a going concern basis, under the historical cost convention. The accounting policies set out below have been applied consistently to all periods presented in these unaudited condensed interim consolidated financial statements, unless otherwise noted.

The unaudited condensed interim consolidated financial statements of the Company for the three and nine months ended September 30, 2024 and 2023 have been prepared in accordance with the International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). The unaudited condensed interim consolidated financial statements were authorized for issue by the Board of Directors on November 28, 2024.

#### 3. Material accounting policies and judgment

##### (a) Material accounting policies

The material accounting policies used in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those described in the notes to the Company's consolidated financial statements for the year ended December 31, 2023.

##### Basis of consolidation

The unaudited condensed interim consolidated financial statements include the financial statements of the Company and its subsidiaries as follows:

<b>Company</b>	<b>Place of Incorporation</b>	<b>Effective Interest</b>	<b>Principal Activity</b>	<b>Functional Currency</b>
Advent-AWI Holdings Inc.	Canada	100%	Holding Company	Canadian dollar
Am-Call Wireless Inc.	Canada	100%	Wireless Services	Canadian dollar
1013929 B.C. Ltd.	Canada	100%	Real Estate Rental	Canadian dollar
Advent Marketing Inc.	Canada	100%	Real Estate Rental	Canadian dollar
Adwell Financial Services Inc.	Canada	70%	Microfinancing	Canadian dollar

All intercompany transactions and balances have been eliminated. Subsidiaries are those entities that are controlled by the Company. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are de-consolidated from the date that control ceases.

**ADVENT-AWI HOLDINGS INC.**

**Notes to Condensed Interim Consolidated Financial Statements**

**For the three and nine months ended September 30, 2024 and 2023**

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(Unaudited, expressed in Canadian dollars)

**Non-controlling interests**

When the proportion of the equity held by non-controlling interests changes, the Company adjusts the carrying amounts of the controlling and non-controlling interests to reflect the changes in their relative interest in the subsidiary. The Company recognizes directly in equity any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received and attribute it to the shareholders of the Company.

**Condensed interim consolidated statements of income and comprehensive income and cash flows**

The Company has elected to present a single unaudited condensed interim consolidated statements of income and comprehensive income and presents its expenses by nature.

The Company reports cash flows from operating activities using the indirect method. Interest paid is presented within operating cash flows.

**Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable, net of estimated returns and discounts. The Company bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

The principal sources of revenue to the Company are:

- 1) Wireless revenue from sales of cellular phones, commission earned on sale of cellular plans and related products. Revenue is recognized when:
  - a) Cellular phones and related products are sold to customers, at the point of sale through one of its retail stores, net of estimated returns.
  - b) Monthly commission revenue in connection with sales of cellular plans and related products is recorded in the month in which they are earned and measurable.
  - c) Quarterly bonus commission revenue is recorded in the last month of each quarter when targets are achieved.
- 2) Financing revenue earned from microfinancing is recognized on a time proportionate basis using the effective interest rate method. Interest is calculated on the gross carrying amount for each loan receivable.

Some loans may be required to pay a one time fee, referred to as a lender fee, upon initiation of the loan. These lender fees are netted against the related loans and recognized into revenue using the effective interest method.

## **ADVENT-AWI HOLDINGS INC.**

### **Notes to Condensed Interim Consolidated Financial Statements**

#### **For the three and nine months ended September 30, 2024 and 2023**

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(Unaudited, expressed in Canadian dollars)

#### **Other income**

The Company's other income consists of the following:

- a) Rental income includes rent from tenants under lease. All tenant rents are recognized in accordance with the underlying lease terms.
- b) Interest income is recognized when earned.

#### **Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are included in liabilities.

#### **Inventories**

Inventories consist of finished products. They are recorded at the lower of cost and net realizable value. The cost of inventory is determined on a weighted average basis, and net realizable value is the estimated selling price less applicable selling expenses.

#### **Financial instruments - recognition and measurement**

Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Financial assets and financial liabilities are offset and the net amount is reported in the unaudited condensed interim consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the financial asset and settle the financial liability simultaneously.

Financial assets and liabilities upon initial recognition are classified in one of two categories: (1) those to be measured subsequently at fair value either through other comprehensive income ("OCI") or through profit or loss; and (2) those to be measured at amortized cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. The following classifications have been applied:

- Cash, trade and other receivables, marketable securities and loans receivable are classified as financial assets measured at amortized cost;
- Trade accounts payable, other payables and accrued liabilities, government remittances payable, tenant deposits, government loan and loans payable are classified as financial liabilities measured at amortized cost.

**ADVENT-AWI HOLDINGS INC.**

**Notes to Condensed Interim Consolidated Financial Statements**

**For the three and nine months ended September 30, 2024 and 2023**

(Unaudited, expressed in Canadian dollars)

**Impairment of financial assets**

At each reporting date, the Company assesses on a forward-looking basis the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade and other receivables and loans receivable, the Company applies the simplified approach permitted by IFRS 9 Financial Instruments (IFRS 9) which requires expected lifetime losses to be recognized at the time of initial recognition of the receivables. The Company determines expected credit losses using historical credit loss trends, current, and forward-looking information such as macroeconomic factors.

**Deposits**

Deposits consist of deposits made for lease rental and are recorded at cost.

**Marketable securities**

The Company's marketable securities consist of term deposits and guaranteed investment certificates that are classified and measured at amortized cost using the effective interest method, plus accrued interest.

**Loans receivable**

The Company's loans receivable consist of unsecured personal instalment loans, short term payday loans, and secured mortgage loans. Loans receivable are measured at amortized cost less an allowance for doubtful accounts based on historical default rates and credit risk assessment of the borrower.

**Property, plant and equipment and intangible assets**

Property, plant and equipment and intangible assets are measured at cost less depreciation/accumulated amortization and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset.

Repairs and maintenance costs are charged to the unaudited condensed interim consolidated statements of income and comprehensive income during the period in which they are incurred.

Gains and losses on disposals of property, plant and equipment are determined by comparing the net proceeds with the carrying amount of the asset and are included as part of other gains and losses in the consolidated statements of income and comprehensive income.

Amortization is provided at the following annual rates:

Buildings	30 years straight-line
Computer hardware	3 years straight-line
Computer software	3 years straight-line
Furniture, fixtures and equipment	5 years straight-line
Intangible assets	5 years straight-line
Leasehold improvements	straight-line over terms of lease
Land	not amortized

Land is not amortized as no finite useful life can be determined, related carrying amount are not depreciated.

**ADVENT-AWI HOLDINGS INC.**

**Notes to Condensed Interim Consolidated Financial Statements**

**For the three and nine months ended September 30, 2024 and 2023**

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(Unaudited, expressed in Canadian dollars)

**Impairment of non-financing assets**

Property, plant and equipment and investment properties are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

**Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets with finite lives are carried at cost less any accumulated amortization and any accumulated impairment losses.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

**Leases**

The Company recognizes a right-of-use asset and a lease liability based on the present value of the future lease payments at the commencement date. The commencement date is when the lessor makes the leased asset available for use by the Company, typically the possession date. The lease term is determined as the non-cancellable periods of a lease, together with periods covered by a renewal option if the Company is reasonably certain to exercise that option and a termination option if the Company is reasonably certain not to exercise that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Company's incremental borrowing rate is used, being the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. Subsequent to initial measurement, the Company measures lease liabilities at amortized cost using the effective interest rate method. Each lease payment is allocated between the liability and the finance cost. The finance cost is charged to profit or loss over the lease period.

Right-of-use assets are measured at the initial amount of the lease liabilities, lease payments made at or before the commencement date less any lease incentives received, initial direct costs if any, and decommissioning costs to restore the site to the condition required by the terms and conditions of the lease. Subsequent to initial measurement, the right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Lease payments for short-term leases with a term of 12 months or less and leases of low-value assets are treated as operating leases, with rent expense recognized on a straight-line or other systematic basis.

**ADVENT-AWI HOLDINGS INC.**

**Notes to Condensed Interim Consolidated Financial Statements**

**For the three and nine months ended September 30, 2024 and 2023**

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(Unaudited, expressed in Canadian dollars)

**Income taxes**

Income tax expense is comprised of current and deferred tax. Current tax and deferred tax are recognized in the unaudited condensed interim consolidated statements of income and comprehensive income.

Current tax is the expected tax payable or receivable based on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred income tax assets and liabilities are recognized for the future income tax consequences attributable to differences between the unaudited condensed interim consolidated financial statements carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same authority on the same taxable entity, or on different tax entities where these entities intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. Deferred income tax assets are recognized to the extent that it is probable that the asset can be recovered.

Deferred income tax assets and liabilities are presented as non-current.

**Earnings per share**

The Company presents basic and diluted earnings per share data. Basic earnings per share is calculated by dividing the net income or loss attributable to shareholders of the Company by the weighted average number of common shares outstanding during the period. The diluted earnings per share is determined by adjusting the net income or loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive instruments. The Company uses the treasury stock method for calculating diluted earnings per share.

**Share capital**

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

**Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Financial Officer. The Corporation has two segments, which are "Wireless Business", and "Financing Business." The wireless segment sells cellular and wireless products, services and accessories through an independent network of stores in Ontario. The financing segment operates as a private lending company offering personal and collateral loans across the Greater Vancouver Area.

The financial position of these segments are presented in note 20 of the unaudited condensed interim consolidated financial statements.

## **ADVENT-AWI HOLDINGS INC.**

### **Notes to Condensed Interim Consolidated Financial Statements**

#### **For the three and nine months ended September 30, 2024 and 2023**

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(Unaudited, expressed in Canadian dollars)

#### **(b) Critical accounting estimates**

The preparation of the unaudited condensed interim consolidated financial statements requires management to make assumptions and estimates that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the unaudited condensed interim consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Critical accounting estimates include, but are not limited to, expected credit loss provisions for loans receivable, and the discount rate used in measuring ROU assets and lease liabilities. Management's estimates and underlying assumptions are based on historical experience and are reviewed on an ongoing basis.

#### **Impairment of financial assets**

The expected credit loss ("ECL") model applies to financial assets measured at amortized cost. The Company's financial assets measured at amortized cost and subject to the ECL model consist primarily of accounts receivable and loans receivable. In determining the ECL, management makes estimates related to the probability-weighted amount of ECL based on information available as of the reporting date relating to past events, current conditions and forecasts regarding future economic conditions.

#### **Leases**

**Judgments Made in Relation to Accounting Policies Applied:** The Company exercises judgment when contracts are entered into that may give rise to a right-of-use asset that would be accounted for as a lease. Judgment is required in determining the appropriate lease term on a lease by lease basis. The Company considers all facts and circumstances that create an economic incentive to exercise a renewal option or to not exercise a termination option at inception and over the term of the lease, including investments in major leaseholds, operating performance, and changed circumstances. The periods covered by renewal or termination options are only included in the lease term if the Company is reasonably certain to exercise that option. Changes in the economic environment or changes in the retail industry may impact the assessment of the lease term and any changes in the estimate of lease terms may have a material impact on the Company's unaudited condensed interim consolidated statements of financial position.

**Key Sources of Estimation:** The critical assumptions and estimates used in determining the present value of future lease payments require the Company to estimate the incremental borrowing rate specific to each leased asset or portfolio of leased assets. Management determines the incremental borrowing rate of each leased asset or portfolio of leased assets by incorporating the Company's creditworthiness, the security, term, and value of the underlying leased asset, and the economic environment in which the leased asset operates. The incremental borrowing rates are subject to change mainly due to changes in the macroeconomic environment.

#### **Income taxes**

Deferred income tax assets and liabilities are due to temporary differences between the carrying amount for accounting purposes and the tax basis of certain assets and liabilities, as well as undeducted tax losses. Estimation is required for the timing of the reversal of these temporary differences and the tax rate applied. The carrying amounts of assets and liabilities are based on amounts recorded in the unaudited condensed interim consolidated financial statements and are subject to the accounting estimates inherent in those balances. The tax basis of assets and liabilities and the amount of undeducted tax losses are based on the applicable income tax legislation, regulations and interpretations.

The timing of the reversal of the temporary differences and the timing of deduction of tax losses are based on estimations of the Company's future financial results.

Changes in the expected operating results, enacted tax rates, legislation or regulations, and the Company's interpretations of income tax legislation, will result in adjustments to the expectations of future timing difference reversals, and may require material deferred tax adjustments.

**ADVENT-AWI HOLDINGS INC.****Notes to Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2024 and 2023**

(Unaudited, expressed in Canadian dollars)

**(c) Significant judgments**

Information about judgments made in applying accounting policies that have the most significant effect on the amounts recognized in the unaudited condensed interim consolidated financial statements is set out below.

**Estimated useful lives of non-financial assets**

Judgment is used to estimate each component of an asset's useful life and is based on an analysis of factors including, but not limited to, the expected use of the asset. If the estimated useful lives change, this could result in an increase or decrease in the annual amortization expense and future impairment charges.

**Gross versus net revenue recognition**

The Company follows the guidance set out in IFRS 15, Revenue from Contracts with Customers in determining the presentation of revenue and cost of sales. The guidance requires the Company to assess whether it acts as a principal in a transaction or as an agent acting on behalf of others. To the extent that revenue is earned through the sale of hardware and accessories to customers, the Company has determined that these amounts should be reported on a gross basis in the unaudited condensed interim consolidated statements of income and comprehensive income as the Company is exposed to the risks and rewards before and after the associated transaction.

The preparation of the unaudited condensed interim consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates.

**4. Trade and other receivables**

	September 30 2024	September 30 2023
Trade and other receivables	\$ <u>493,853</u>	\$ <u>531,345</u>

In establishing the appropriate expected credit loss, assumptions are made with respect to the future collectability of the receivables. Management believes no expected credit loss is necessary as at September 30, 2024 and 2023 as the amounts are considered to be fully collectible and substantially current (see note 18(b)).

**5. Inventories**

All of the Company's inventory consists of finished goods. The amounts are stated at the lower of cost and net realizable value. The cost of inventories recognized as expense and included in cost of sales for the nine months ended September 30, 2024 amounted to \$1,493,976 (2023 - \$1,717,631). There are no non-inventory costs such as amortization, salary and payroll and rent and occupancy costs recorded in cost of sales.

**6. Marketable securities**

	September 30 2024	September 30 2023
Guaranteed investment certificates (i)	\$ <u>5,000,000</u>	\$ <u>8,000,000</u>

i) The guaranteed investment certificates mature between December 30, 2024 and February 24, 2025, earning interest between 5.20% to 5.80% per annum (2023 - 0.55% to 5.40% per annum).

**ADVENT-AWI HOLDINGS INC.****Notes to Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2024 and 2023**

(Unaudited, expressed in Canadian dollars)

**7. Loans Receivable**

Loans receivable comprises of (1) unsecured personal instalment loans bearing interest ranging from 31% - 48% per annum (2023 - 31% - 48%), with a weighted average rate of 41% per annum (2023 - 41%) from \$1,500 to \$5,000 with 9 to 36 months flexible repayment terms with no early repayment penalties, (2) short term payday loans averaging less than \$1,000 and (3) secured mortgage loans bearing interest from 6% to 20% with terms averaging 12 months.

Financing revenue earned in the nine months ended September 30, 2024 is \$867,623 (2023 - \$718,262).

Based on historical default rates and credit risk assessment of the entity, the expected credit loss provision for the nine months ended September 30, 2024 is \$135,711 (2023 - \$101,883).

	<b>September 30, 2024</b>		
	<b>Current</b>	<b>Non-Current</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Loans receivable</b>			
Secured	3,252,434	-	3,252,434
Unsecured	1,399,089	24,165	1,423,254
<b>Allowance for doubtful accounts</b>	<u>135,013</u>	<u>698</u>	<u>135,711</u>
<b>Net loans receivable</b>	<u>4,516,510</u>	<u>23,467</u>	<u>4,539,977</u>
	<b>September 30, 2023</b>		
	<b>Current</b>	<b>Non-Current</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Loans receivable</b>			
Secured	2,111,996	-	2,111,996
Unsecured	1,383,133	52,169	1,435,302
<b>Allowance for doubtful accounts</b>	<u>100,385</u>	<u>1,498</u>	<u>101,883</u>
<b>Net loans receivable</b>	<u>3,394,744</u>	<u>50,671</u>	<u>3,445,415</u>

**ADVENT-AWI HOLDINGS INC.****Notes to Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2024 and 2023**

(Unaudited, expressed in Canadian dollars)

**8. Leases****(A) Cost**

Balance, January 1, 2023	555,081
Additions	640,165
Less leases expired	<u>(252,893)</u>
Balance, December 31, 2023	<u>942,353</u>
Additions	224,598
Balance, September 30, 2024	<u>1,166,951</u>
<b>Amortization</b>	
Balance, January 1, 2023	412,947
Amortization for the year	175,160
Less leases expired	<u>(252,893)</u>
Balance, December 31, 2023	<u>335,214</u>
Amortization for the period	131,469
Balance, September 30, 2024	<u>466,683</u>
<b>Net carrying amount</b>	
Balance, December 31, 2023	<u>607,139</u>
Balance, September 30, 2024	<u>700,268</u>

**(B) Lease liabilities**

Balance, January 1, 2023	555,082
Additions	640,165
Fair value adjustment on lease modification	<u>(9,384)</u>
Balance, December 31, 2023	<u>1,185,863</u>
Additions	224,599
Balance, September 30, 2024	<u>1,410,462</u>
<b>Lease reduction</b>	
Balance, January 1, 2023	401,330
Lease payment in the year	179,506
Less interest portion	(18,453)
Balance, December 31, 2023	<u>562,383</u>
Lease payment in the period	144,836
Less interest portion	(30,067)
Balance, September 30, 2024	<u>677,152</u>
<b>Net lease liabilities</b>	
Balance, December 31, 2023	<u>623,480</u>
Balance, September 30, 2024	<u>733,310</u>
Lease liabilities - current	158,548
Lease liabilities	<u>574,762</u>
Balance, September 30, 2024	<u>733,310</u>

**ADVENT-AWI HOLDINGS INC.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**For the three and nine months ended September 30, 2024 and 2023**

(Unaudited, expressed in Canadian dollars)

**9. Property, plant and equipment**

	Land	Building	Leasehold improvements	Furniture, fixtures and equipment	Sign	Computer hardware	Computer software	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>								
Balance, January 1, 2023	60,116	574,677	166,966	196,802	6,590	214,022	7,377	1,226,550
Additions	-	-	-	2,191	-	2,449	-	4,640
Balance, December 31, 2023	<u>60,116</u>	<u>574,677</u>	<u>166,966</u>	<u>198,993</u>	<u>6,590</u>	<u>216,471</u>	<u>7,377</u>	<u>1,231,190</u>
Additions	-	-	-	560	960	3,249	-	4,769
Balance, September 30, 2024	<u>60,116</u>	<u>574,677</u>	<u>166,966</u>	<u>199,553</u>	<u>7,550</u>	<u>219,720</u>	<u>7,377</u>	<u>1,235,959</u>
<b>Amortization</b>								
Balance, January 1, 2023	-	157,642	166,966	196,802	6,590	207,794	7,377	743,171
Amortization for the year	-	19,156	-	211	-	3,541	-	22,908
Balance, December 31, 2023	-	176,798	166,966	197,013	6,590	211,335	7,377	766,079
Amortization for the period	-	14,367	-	385	32	2,474	-	17,258
Balance, September 30, 2024	-	<u>191,165</u>	<u>166,966</u>	<u>197,398</u>	<u>6,622</u>	<u>213,809</u>	<u>7,377</u>	<u>783,337</u>
<b>Net carrying amount</b>								
Balance, December 31, 2023	<u>60,116</u>	<u>397,879</u>	<u>-</u>	<u>1,980</u>	<u>-</u>	<u>5,136</u>	<u>-</u>	<u>465,111</u>
Balance, September 30, 2024	<u>60,116</u>	<u>383,512</u>	<u>-</u>	<u>2,155</u>	<u>928</u>	<u>5,911</u>	<u>-</u>	<u>452,622</u>

**ADVENT-AWI HOLDINGS INC.****Notes to Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2024 and 2023**

(Unaudited, expressed in Canadian dollars)

**10. Investment properties**

	Land \$	Building \$	Total \$
<b>Cost</b>			
Balance, January 1, 2023	<u>207,118</u>	<u>1,075,600</u>	<u>1,282,718</u>
Balance, December 31, 2023	<u>207,118</u>	<u>1,075,600</u>	<u>1,282,718</u>
Balance, September 30, 2024	<u>207,118</u>	<u>1,075,600</u>	<u>1,282,718</u>
<b>Amortization</b>			
Balance, January 1, 2023	-	387,566	387,566
Amortization for the year	<u>-</u>	<u>35,892</u>	<u>35,892</u>
Balance, December 31, 2023	-	423,458	423,458
Amortization for the period	<u>-</u>	<u>26,919</u>	<u>26,919</u>
Balance, September 30, 2024	<u>-</u>	<u>450,377</u>	<u>450,377</u>
<b>Net carrying amount</b>			
Balance, December 31, 2023	<u>207,118</u>	<u>652,142</u>	<u>859,260</u>
Balance, September 30, 2024	<u>207,118</u>	<u>625,223</u>	<u>832,341</u>

The estimated fair market value of the investment properties at September 30, 2024 was \$1,409,614 (2023 - \$1,586,850). The fair value was derived based on comparable sales or assessments of similar properties in the same mall or plaza adjusting for specific unit specifications such as size and location. The Company did not obtain independent valuation for its investment properties. The fair value measurement has been classified as Level 3 in the fair value hierarchy.

**11. Loans payable**

Loans payable are non-interest bearing loans due to minority shareholders of Adwell Financial Services Inc. These loans do not need to be repaid as long as a shareholder retains their interest.

**12. Capital stock**

Authorized

100,000,000 common shares without par value

Issued and outstanding

	Number of shares	Amount \$
Balance - December 31, 2023 and September 30, 2024	<u>11,935,513</u>	<u>4,274,676</u>

The Company manages its capital through quarterly board of directors' meetings and regular review of financial information to ensure sufficient resources are available to meet day-to-day operation requirements.

The Company's objectives when managing capital are:

- a) To provide a reasonable return to the shareholders by pricing the products and services commensurately with the level of risk.
- b) To safeguard the capital of excess funds on hand by investing with reputable financial institutions for a reasonable return.

**ADVENT-AWI HOLDINGS INC.****Notes to Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2024 and 2023**

(Unaudited, expressed in Canadian dollars)

**13. General and administration expenses**

General and administration expenses consist of the following:

	3 months ended September 30		9 months ended September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Bank service charges	15,786	14,944	36,755	32,816
General and office expenses	20,676	66,805	96,992	147,597
Insurance	17,361	16,250	66,543	63,737
Interest	9,809	28,006	30,066	30,315
Professional fees	67,773	85,666	221,089	215,851
Rent and occupancy costs	45,542	22,009	157,770	114,259
Salary and payroll costs	441,720	454,665	1,242,088	1,251,635
Telephone expenses	<u>7,622</u>	<u>7,933</u>	<u>19,572</u>	<u>22,609</u>
	<u>626,289</u>	<u>696,278</u>	<u>1,870,875</u>	<u>1,878,819</u>

**14. Income taxes**

Components of the provision for income taxes are as follows:

	3 months ended September 30		9 months ended September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Current income tax expense	16,627	23,188	78,080	19,007
Deferred income tax expense (recovery)	<u>6,781</u>	<u>(4,321)</u>	<u>15,177</u>	<u>(8,337)</u>
Provision for for income taxes	<u>23,408</u>	<u>18,867</u>	<u>93,257</u>	<u>10,670</u>

**15. Stock options**

The Company has a stock option plan (the "Plan") that was approved by the shareholders on June 24, 2011. It allows the Company to grant up to 10% of the issued and outstanding common shares at the time of the grant. Under the Plan, a total of 1,193,551 common shares have been reserved for the grant of options.

The Company has not issued any stock options to the directors and employees of the Company in the current year. As at September 30, 2024 and September 30, 2023, the Company had no options outstanding.

**16. Income per share**

	3 months ended September 30		9 months ended September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Net income attributable to common shares	59,272	49,125	242,537	33,350
Basic and diluted weighted average number of common shares outstanding	11,935,513	11,935,513	11,935,513	11,935,513
Basic and diluted earnings per share	<u>0.0050</u>	<u>0.0041</u>	<u>0.0203</u>	<u>0.0028</u>

Basic income per share was based on the income attributable to common shareholders and the weighted average number of common shares outstanding. Diluted income per share was equal to basic income per share as there were no dilutive instruments outstanding in the three and nine months ended September 30, 2024 and September 30, 2023.

**ADVENT-AWI HOLDINGS INC.****Notes to Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2024 and 2023**

(Unaudited, expressed in Canadian dollars)

**17. Commitments**

The table below shows the future minimum payments under leases as at September 30, 2024:

2024 (remaining)	48,883
2025	201,896
2026	208,628
2027	214,380
2028	159,815
	<u>833,602</u>

**18. Financial instruments**

- a) The following table summarizes the carrying value of the Company's financial instruments, which approximates fair value:

<b>Financial instrument</b>	<b>IFRS 9 Classification Measurement</b>	<b>September 30, 2024 \$</b>	<b>September 30, 2023 \$</b>
Cash and cash equivalents	Amortized cost using the effective interest method	3,491,933	2,237,373
Trade and other receivables	Amortized cost using the effective interest method	493,853	531,345
Loans receivable	Amortized cost using the effective interest method	4,539,977	3,445,415
Marketable securities	Amortized cost using the effective interest method	5,000,000	8,000,000
Trade accounts payable and other payables and accrued liabilities	Amortized cost using the effective interest method	1,396,872	1,329,250
Loans payable	Amortized cost using the effective interest method	150,000	150,000
Government loan	Amortized cost using the effective interest method	-	40,000
Lease liabilities	Amortized cost using the effective interest method	733,310	306,003

The carrying amount of cash and cash equivalents, trade and other receivables, loans receivable, marketable securities, trade accounts payable and other payables and accrued liabilities, loans payable, Government loan and lease liabilities approximate the fair values due to the relatively short period to maturity of the instruments.

**b) Management of financial risk****i) Interest rate risk exposure**

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. All of the Company's financial assets and liabilities are non-interest bearing except cash, which bears a floating interest rate. As described in note 6, the guaranteed investment certificates earn interest at a fixed rate of 5.20% to 5.80% per annum. Any fluctuation in the interest rate will not have a significant impact on the Company.

**ADVENT-AWI HOLDINGS INC.**

**Notes to Condensed Interim Consolidated Financial Statements**

**For the three and nine months ended September 30, 2024 and 2023**

(Unaudited, expressed in Canadian dollars)

**ii) Credit risk and economic dependence**

Credit risk is the risk that the Company will incur a loss due to the failure by its customers or other parties to meet their contractual obligations. Financial instruments that potentially subject the Company to significant concentrations of credit risk consist primarily of cash, cash equivalents, short-term investments and trade receivables. The Company limits its exposure to credit risk by placing its cash and cash equivalents and marketable securities with high credit quality financial institutions.

The Company has a high concentration of credit risk as approximately 64% of the trade receivables as at September 30, 2024 (2023 - 80%) were owed by one customer, Rogers Communications Inc. For the three and nine months ended September 30, 2024, approximately 98% (2023 - 97%) of the Company's gross wireless revenue was from this customer. Based on historic default rates and the credit quality of this customer, no provisions have been recorded and no collateral is requested for the Company's trade receivables. The agreement with this customer expires on June 30, 2028.

At September 30, 2024, 36% (2023 - 20%) of trade receivables were outstanding for between 30 and 90 days and the remaining 64% (2023 - 80%) were outstanding less than 30 days. Trade receivables are considered past due based on the contract terms agreed to with the customer.

The carrying amount of accounts receivable (\$493,853) and loans receivable (\$4,675,688) represents the maximum credit exposure (\$5,169,541).

Cash balances and marketable securities are held with financial institutions with a high credit rating.

**iii) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. It is the Company's intention to meet these obligations through the collection of trade receivables, loans receivable and current cash.

**iv) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Company is not exposed to significant currency risk and interest rate risk.

**19. Related party transactions**

Key management personnel comprise the Company's Board of Directors and executive officers. Key management compensation includes director fees, salaries and performance based compensation. Total compensation paid and accrued is as follows:

	<b>3 months ended September 30</b>		<b>9 months ended September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Salaries and other benefits	\$ <u>172,277</u>	\$ <u>172,277</u>	\$ <u>508,377</u>	\$ <u>508,377</u>

**ADVENT-AWI HOLDINGS INC.****Notes to Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2024 and 2023**

(Unaudited, expressed in Canadian dollars)

**20. Segmented information**

The Company operates in two industry segments. It provides tele-communications products and services (Wireless Business) and lends money (Financing Business) to individuals and companies in Canada.

The unaudited condensed interim consolidated statement of financial position information by reportable segment as at September 30, 2024 was as follows:

	<b>Wireless Business</b>	<b>Financing Business</b>	<b>Total</b>
	\$	\$	\$
<b>ASSETS</b>			
Cash and cash equivalents	3,264,163	227,770	3,491,933
Trade and other receivables	338,891	154,962	493,853
Inventories	89,832	-	89,832
Prepaid and deposits	13,792	45,195	58,987
Right-of-use assets	700,268	-	700,268
Loans receivable	1	4,539,976	4,539,977
Marketable securities	5,000,000	-	5,000,000
Property, plant and equipment	449,832	2,790	452,622
Investment properties	832,341	-	832,341
Deferred income tax assets	2,897	53,540	56,437
Income tax receivable	<u>68,036</u>	<u>41,535</u>	<u>109,571</u>
<b>Total assets</b>	<b><u>10,760,053</u></b>	<b><u>5,065,768</u></b>	<b><u>15,825,821</u></b>
<b>LIABILITIES</b>			
Payables and accrued liabilities	1,009,959	386,913	1,396,872
Government remittances payable	10,448	3,869	14,317
Income tax payable	78,770	-	78,770
Tenant deposits	17,000	-	17,000
Lease liabilities	733,310	-	733,310
Loans payable	-	150,000	150,000
Due to (from) related parties	<u>(3,860,000)</u>	<u>3,860,000</u>	<u>-</u>
<b>Total liabilities</b>	<b><u>(2,010,513)</u></b>	<b><u>4,400,782</u></b>	<b><u>2,390,269</u></b>

**ADVENT-AWI HOLDINGS INC.****Notes to Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2024 and 2023**

(Unaudited, expressed in Canadian dollars)

The unaudited condensed interim consolidated statement of financial position information by reportable segment as at September 30, 2023 was as follows:

	<b>Wireless Business</b>	<b>Financing Business</b>	<b>Total</b>
	\$	\$	\$
<b>ASSETS</b>			
Cash and cash equivalents	2,091,356	146,017	2,237,373
Trade and other receivables	435,297	96,048	531,345
Inventories	50,549	-	50,549
Prepaid and deposits	13,792	45,195	58,987
Right-of-use assets	298,290	-	298,290
Loans receivable	-	3,445,415	3,445,415
Marketable securities	8,000,000	-	8,000,000
Property, plant and equipment	464,911	3,396	468,307
Investment properties	868,233	-	868,233
Deferred income tax assets	37,311	20,386	57,697
Income tax receivable	49,203	25,424	74,627
<b>Total assets</b>	<u>12,308,942</u>	<u>3,781,881</u>	<u>16,090,823</u>
<b>LIABILITIES</b>			
Payables and accrued liabilities	1,120,855	208,395	1,329,250
Government remittances payable	24,415	5,609	30,024
Tenant deposits	17,000	-	17,000
Government loan	-	40,000	40,000
Lease liabilities	306,003	-	306,003
Loans payable	-	150,000	150,000
Due to (from) related parties	<u>(2,900,000)</u>	<u>2,900,000</u>	<u>-</u>
<b>Total liabilities</b>	<u>(1,431,727)</u>	<u>3,304,004</u>	<u>1,872,277</u>

**ADVENT-AWI HOLDINGS INC.****Notes to Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2024 and 2023**

(Unaudited, expressed in Canadian dollars)

The unaudited condensed interim consolidated statement of income and comprehensive income information by reportable segment for the three and nine months ended September 30, 2024 was as follows:

	<b>3 months ended September 30, 2024</b>		
	<b>Wireless Business</b>	<b>Financing Business</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>	977,634	272,586	1,250,220
<b>Cost of sales</b>	<u>503,573</u>	<u>-</u>	<u>503,573</u>
<b>Gross profit</b>	<u>474,061</u>	<u>272,586</u>	<u>746,647</u>
<b>Expenses</b>			
General and administration	448,485	177,805	626,290
Advertising and promotion	(149)	950	801
Amortization of right-of-use assets	43,955	-	43,955
Amortization of property, plant and equipment	5,820	562	5,820
Amortization of investment properties	<u>8,973</u>	<u>-</u>	<u>8,973</u>
<b>Total expenses</b>	<u>507,084</u>	<u>179,317</u>	<u>685,839</u>
Operating (loss) income	<u>(33,023)</u>	<u>93,269</u>	<u>60,808</u>
<b>Other income</b>			
Rental income	38,181	-	38,181
Interest income	<u>11,674</u>	<u>-</u>	<u>11,674</u>
	<u>49,855</u>	<u>-</u>	<u>49,855</u>
<b>Income from operations before income taxes</b>	<u><u>16,832</u></u>	<u><u>93,269</u></u>	<u><u>110,663</u></u>

**ADVENT-AWI HOLDINGS INC.****Notes to Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2024 and 2023**

(Unaudited, expressed in Canadian dollars)

	<b>9 months ended September 30, 2024</b>		
	<b>Wireless Business</b>	<b>Financing Business</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>	2,947,139	867,623	3,814,762
<b>Cost of sales</b>	<u>1,493,976</u>	<u>-</u>	<u>1,493,976</u>
<b>Gross profit</b>	<u>1,453,163</u>	<u>867,623</u>	<u>2,320,786</u>
<b>Expenses</b>			
General and administration	1,351,407	519,468	1,870,875
Advertising and promotion	1,886	3,330	5,216
Amortization of right-of-use assets	131,469	-	131,469
Amortization of property, plant and equipment	15,601	1,657	17,258
Amortization of investment properties	<u>26,919</u>	<u>-</u>	<u>26,919</u>
<b>Total expenses</b>	<u>1,527,282</u>	<u>524,455</u>	<u>2,051,737</u>
Operating (loss) income	<u>(74,119)</u>	<u>343,168</u>	<u>269,049</u>
<b>Other income</b>			
Rental income	101,254	-	101,254
Interest income	<u>68,441</u>	<u>-</u>	<u>68,441</u>
	<u>169,695</u>	<u>-</u>	<u>169,695</u>
<b>Income from operations before income taxes</b>	<u>95,576</u>	<u>343,168</u>	<u>438,744</u>

**ADVENT-AWI HOLDINGS INC.****Notes to Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2024 and 2023**

(Unaudited, expressed in Canadian dollars)

The unaudited condensed interim consolidated statement of income and comprehensive income information by reportable segment for the three and nine months ended September 30, 2023 was as follows:

	<b>3 months ended September 30, 2023</b>		
	<b>Wireless Business</b>	<b>Financing Business</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>	1,127,888	267,730	1,395,618
<b>Cost of sales</b>	<u>627,315</u>	<u>-</u>	<u>627,315</u>
<b>Gross profit</b>	<u>500,573</u>	<u>267,730</u>	<u>768,303</u>
Expenses			
General and administration	493,359	202,918	696,277
Advertising and promotion	185	-	185
Amortization of right-of-use assets	23,129	-	23,129
Amortization of property, plant and equipment	5,255	485	5,740
Amortization of investment properties	<u>8,973</u>	<u>-</u>	<u>8,973</u>
<b>Total expenses</b>	<u>530,901</u>	<u>203,403</u>	<u>734,304</u>
Operating (loss) income	<u>(30,328)</u>	<u>64,327</u>	<u>33,999</u>
<b>Other income</b>			
Rental income	27,500	-	27,500
Interest income	<u>25,791</u>	<u>-</u>	<u>25,791</u>
	<u>53,291</u>	<u>-</u>	<u>53,291</u>
<b>Income from operations before income taxes</b>	<u>22,963</u>	<u>64,327</u>	<u>87,290</u>

**ADVENT-AWI HOLDINGS INC.****Notes to Condensed Interim Consolidated Financial Statements****For the three and nine months ended September 30, 2024 and 2023**

(Unaudited, expressed in Canadian dollars)

	<b>9 months ended September 30, 2023</b>		
	<b>Wireless Business</b>	<b>Financing Business</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>	3,001,259	718,262	3,719,521
<b>Cost of sales</b>	<u>1,717,631</u>	<u>-</u>	<u>1,717,631</u>
<b>Gross profit</b>	<u>1,283,628</u>	<u>718,262</u>	<u>2,001,890</u>
Expenses			
General and administration	1,354,597	524,222	1,878,819
Advertising and promotion	1,699	197	1,896
Amortization of right-of-use assets	108,562	-	108,562
Amortization of property, plant and equipment	15,715	1,423	17,138
Amortization of investment properties	<u>26,919</u>	<u>-</u>	<u>26,919</u>
<b>Total expenses</b>	<u>1,507,492</u>	<u>525,842</u>	<u>2,033,334</u>
Operating (loss) income	<u>(223,864)</u>	<u>192,420</u>	<u>(31,444)</u>
<b>Other income</b>			
Rental income	78,342	-	78,342
Interest income	<u>54,848</u>	<u>-</u>	<u>54,848</u>
	<u>133,190</u>	<u>-</u>	<u>133,190</u>
<b>(Loss) income from operations before income taxes</b>	<u>(90,674)</u>	<u>192,420</u>	<u>101,746</u>