



**CENTR BRANDS CORP.**  
507-837 West Hastings Street  
Vancouver, BC V6C 3N6

September 18, 2025

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## MANAGEMENT DISCUSSION & ANALYSIS

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*This Management's Discussion & Analysis ("MD&A") should be read in conjunction with the consolidated financial statements of CENTR Brands Corp. (the "Company") for the year ended May 31, 2025 and related notes, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of financial statements. All amounts in the financial statements and this MD&A are expressed in Canadian dollars, unless otherwise indicated.*

*Further information about the Company, its operations and other continuous disclosure is available through filings with the securities regulatory authorities in Canada under the Company's profile at [www.sedar.com](http://www.sedar.com).*

### FORWARD LOOKING INFORMATION

This MD&A contains certain forward-looking statements and information relating to the Company that are based on the beliefs of management of the Company as well as assumptions made by and information currently available to the Company. When used in this document, the words "anticipate", "believe", "estimate", "expect" and similar expressions, as they relate to the Company or management of the Company, are intended to identify forward-looking statements. This MD&A contains forward-looking statements relating to, among other things, regulatory compliance, the sufficiency of current working capital, and the estimated cost and availability of funding for the continued development of the Company's beverages. These statements speak only as at the date they are made and are based on information currently available and on the then-current expectations of the party making the statement and assumptions concerning future events, which are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from that which was expressed or implied by such forward-looking statements, including, but not limited to, risks and uncertainties related to: the performance of the Company's business and operations; the intention to grow the business and operations of the Company; applicable laws, regulations and any amendments thereof; the competitive and business strategies of the Company; the general economic, financial market, regulatory and political conditions in which the Company operates; risks associated with economic conditions, dependence on management; and other risks described in this MD&A and described from time to time in documents filed by the Company with Canadian securities regulatory authorities. Many factors could cause the actual results, performance or the Company's achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements.

The forward-looking statements contained herein are based on certain key expectations and assumptions, including, but not limited to, expectations and assumptions concerning the success of the operations of the Company. Although the Company believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements, because no assurance can be given that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to the risks described above and other factors beyond the Company's control. Consequently, all forward-looking statements made in this MD&A are qualified by such cautionary statements and there can be no assurance that the anticipated results or developments will actually be realized or, even if realized, that they will have the expected consequences to or effects on the Company. The cautionary statements contained or referred to in this MD&A should be considered in connection with any subsequent written or oral forward-looking statements that the Company and/or persons acting on its behalf may issue. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by law.

## **Overview**

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The Company was formed under the British Columbia Business Corporations Act ("BCBCA") on September 26, 2012. On October 18, 2022, the Company dissolved CBD Lifestyle Corp., a wholly-owned subsidiary of the Company.

The Company is involved in the development and marketing of non-alcoholic, functional beverages. The Company produced CENTR Enhanced, a refreshing, ZERO calorie, nootropic and adaptogen, sparkling functional beverage incorporating a variety of science-backed ingredients. Utilizing the Company's intellectual property, the Company is currently exploring strategic business alternatives in response to shifting economic conditions.

## **Overall Performance**

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On December 18, 2023, the Company announced it had ceased funding its United States operations which included its United States subsidiaries, CENTR Brands USA LLC and CENTR Enhanced USA LLC. After reviewing the overall performance of the Company's United States operations, in particular its cash position and its forecasted revenue and expenses, it was decided to consolidate the Company's ongoing operations into Canada and review the various alternatives available in an effort to ensure the long-term success of the Company.

See "Forward Looking Information".

## **Discussion of Operations**

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Utilizing the Company's intellectual property, the Company is currently exploring strategic business alternatives in response to shifting economic conditions.

## Summary of Quarterly Results (expressed in Canadian dollars)

Description	Q4 2025	Q3 2025	Q2 2025	Q1 2025
Net loss and comprehensive net loss for the period	(13,366)	(163,880)	(189,014)	(67,328)
Basic and diluted loss per share	(0.00)	(0.01)	(0.02)	(0.01)

Description	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Net income (loss) and comprehensive net income (loss) for the period <sup>(1)</sup>	45,643	(507,829)	(1,981,710)	102,560
Basic and diluted income (loss) per share	0.00	(0.04)	(0.17)	0.01

(1) Net income (loss) and comprehensive income (loss) for the period includes the following non-cash gains/losses:

- Q3 2024 – gain of \$28,136 for the revaluation of warrants as a liability for accounting purposes.
- Q2 2024 – gain of \$378,770 for the revaluation of warrants as a liability for accounting purposes.
- Q1 2024 – gain of \$1,687,022 for the revaluation of warrants as a liability for accounting purposes.

## Results of Operations (expressed in Canadian dollars)

The operating results for the period ended May 31, 2025 reflect the ceased funding of the Company’s United States operations and termination of all its employees as noted in the “Overall Performance”.

### For the three-month period ended May 31, 2025 (Q4 2025)

Selected Financial Results	May 31, 2025 (three months)	May 31, 2024 (three months)
Net income (loss) and comprehensive income (loss)	(13,366)	45,643
Income from discontinued operations	97,781	25,391
Continuing operations:		
Income (loss) from continuing operations	(111,147)	20,252
General and administrative expenses	110,568	(20,410)

### For the fiscal year ended May 31, 2025

Selected Financial Results	May 31, 2025 (12 months)	May 31, 2024 (12 months)
Net loss and comprehensive net loss	(433,588)	(2,341,336)
Income (loss) from discontinued operations	118,517	(3,848,665)
Continuing operations:		
Income (loss) from continuing operations	(552,105)	1,507,329
General and administrative expenses	549,952	812,286
Share-based compensation expenses	-	(203,642)
Gain on revaluation of warrants liability	-	2,093,928

## **Liquidity and Capital Resources (expressed in Canadian dollars)**

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As of May 31, 2025, the Company had a cash position of \$1,803 and a negative working capital of \$1,665,412.

The Company's objective is to maintain a capital structure that supports its long-term growth strategy, maintains creditor and customer confidence, and maximizes shareholder value. However, the Company discloses that current capital has been exhausted. As such, the Company is considering strategic alternatives to optimize the capital structure, including the assumption of debt. There were no changes in the Company's approach to capital management during the year ended May 31, 2025. During fiscal 2026, the Company will continue to aggressively pursue both equity and debt alternatives in the capital markets.

## **Transactions with Related Parties (expressed in Canadian dollars)**

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The Company transacts with key individuals from management who have authority and responsibility to plan, direct, and control the activities of the Company. Key management personnel are defined as the executive officers of the Company and the Board, including the Chief Executive Officer and Chief Financial Officer.

The Company entered into certain transactions with key management personnel and their related entities during the period ended May 31, 2025 as follows:

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	Year ended May 31, 2025	Three months ended May 31, 2025
Salaries	\$ 180,000	\$ -
Director fees	94,225	-
	\$ 274,225	\$ -

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The Company incurred the following transactions with a company having a director and officer in common:

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	Year ended May 31, 2025	Three months ended May 31, 2025
Other fees		
Harbour Pacific Capital Corporation <sup>(1)</sup>	\$ 10,800	\$ 2,700
	\$ 10,800	\$ 2,700

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*(1) Harbour Pacific Capital Corporation is a company controlled by Anton J. Drescher, a director and officer of the Company*

As at May 31, 2025, \$415,788 was included in due to related parties for salaries, director fees and other overhead costs in the ordinary course of business. These amounts bear no interest and are due on demand.

As at May 31, 2025, \$122,222 was included in convertible debentures for unsecured convertible debentures issued to a shareholder of the Company in the ordinary course of business.

## Financial Instruments

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### *Fair Value of Financial Instruments*

The fair value of cash, accounts receivable, accounts payable and accrued liabilities, due to related parties and loans payable approximate their carrying value due to their immediate or short-term nature, unless otherwise noted.

### *Fair Value Hierarchy*

Financial instruments recorded at fair value on the Statement of Financial Position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value. The fair value of cash, accounts receivable, warrants liability, accounts payable and accrued liabilities, due to related parties and loans payable are measured using a level 2 technique.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

### *Credit Risk*

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The carrying value of the Company's cash and accounts receivable, totaling \$5,270, represents the Company's maximum exposure to credit risk. The Company does not believe it has significant credit risk associated with its cash as such funds are on deposit with highly rated financial institutions and thus credit risk arises principally from the Company's receivables from customers. The Company's exposure to credit risk on accounts receivable is influenced mainly by the individual characteristics of each debtor. The Company has a number of customers with small accounts receivable balances and is therefore able to monitor credit risk on an individual account basis.

### *Currency Risk*

Currency risk is the risk to the Company's earnings that arises from fluctuations in foreign exchange rates and the degree of volatility of those rates. The Company is exposed to currency risk by incurring certain expenditures in United States dollars.

### *Interest Rate Risk*

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have financial instruments that results in material exposure.

### *Liquidity Risk*

Liquidity risk is the risk that the Company may encounter difficulty in raising funds to meet its financial commitments or can only do so at excessive cost. The Company cannot ensure there is sufficient liquidity to meet its short-term business requirements, taking into account its anticipated cash flows from operations, its holdings of cash and its ability to raise funds from its existing shareholders or external shareholders. The Company is exploring strategic alternatives to its current capital structure to ensure it can operate effectively and meet its financial obligations when they come due.

### **Directors and Officers**

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The Company's Board of Directors are as follows:

**Robert W. C. Becher**  
**Anton J. Drescher**  
**Jeffrey Holmgren** (*appointed on March 28, 2024*)

The Company's officers are as follows:

**Robert W.C. Becher** *Chief Executive Officer (appointed on March 28, 2024)*  
**Anton J. Drescher** *Interim Chief Financial Officer (appointed on January 24, 2024)*

### **Share Capital**

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The authorized share capital of the Company consists of an unlimited number of common shares without par value. As of September 18, 2025, 11,623,386 common shares were issued and 11,597,740 common shares were outstanding.

#### *Share Consolidation*

On November 12, 2024, the Company approved the consolidation of the Company's common shares on a basis of one new common share for every existing ten common shares outstanding, effective November 18, 2024. On November 18, 2024, the Company had 115,797,341 common shares outstanding, and these common shares were consolidated to 11,579,740 common shares. The change in the number of issued and outstanding common shares did not materially affect any shareholder's percentage of ownership in the Company. The share and per share amounts in the consolidated financial statements for the year ended May 31, 2025 and May 31, 2024 have been updated to reflect this share consolidation.

#### *Shares Issued*

The Company did not issue any shares during the year ended May 31, 2025.

#### *Outstanding Balances*

As of September 18, 2025, 1,000 restricted share units were outstanding with an expiry date of February 2026.

As of September 18, 2025, 165,154 deferred share units were outstanding.

As of September 18, 2025, 2,490,220 share purchase warrants were outstanding at exercise prices of \$5.00 to \$10.00 with expiry dates of March 2026 to May 2026.

## **Contingencies**

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The Company may be subject to claims that arise in the ordinary course of business. Management assesses the likelihood of adverse outcomes in these matters, as well as potential ranges of losses, to determine appropriate accounting treatment and disclosure. The Company accrues liabilities for legal claims when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated.

As of May 31, 2025, the Company's subsidiary was involved in separate claims made by a former employee and a former supplier. Subsequent to May 31, 2025, the Company reached settlement agreements on both claims for \$30,000 USD (\$41,280) and \$10,000 USD (\$13,760) respectively. Both amounts have been accrued and reflected in these consolidated financial statements for the year ended May 31, 2025.

As of the date of this MD&A, the Company is not aware of any outstanding claims made against the Company.

## **Subsequent Event**

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On July 25, 2025, the Company closed a non-brokered private placement of unsecured convertible debentures (the "Debentures") in the principal amount of \$150,000, for aggregate gross proceeds of \$150,000 (the "Offering"). The Debentures bear interest from July 25, 2025 (the "Closing Date") at a rate of 10.0% per annum, calculated and payable annually, and will mature on July 25, 2026 (the "Maturity Date"), being the date that is 12 months from the date of issuance.

The principal amount of the Debentures, together with any accrued and unpaid interest, may be converted in whole or in part, at any time before the Maturity Date, into equity securities of the Company, at the election of the holder, in whole or in part, at a conversion price equal to the greater of: (A) \$0.05 if the Market Price (as such term is defined in the policies of the CSE) is less than \$0.05; (B) the Market Price (as such term is defined in the policies of the CSE); and (C) the offering price of the Company's first equity financing following the date of issuance of the Debentures; subject to the approval of the CSE.

The Company intends on using the net proceeds of the Offering for working capital and general corporate purposes.

Insiders of the Company participated in the Offering by subscribing for the Debentures in the aggregate principal amount of \$95,000.

## **Critical Accounting Estimates, Policies and Risk Matters**

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### *Use of Estimates and Judgment*

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses that are not readily apparent from other sources, during the reporting period. These estimates and associated assumptions are based on historical experience and other relevant factors. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and in any future periods affected.

Significant judgment, estimates and assumptions that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are as follows:

(i) Share-based payments, warrants and warrant liability:

To calculate the fair value of stock options, restricted share units and warrants, the Company uses the Black-Scholes option pricing model. This inherently requires management to make various estimates and assumptions, primarily in relation to the expected volatility, stock option life and forfeiture rates. Changes in these estimates could cause a significant change in the share-based compensation expense, share-based payment reserve and warrant liability in a given period.

(ii) Determination of functional currency:

Based on the primary indicators in IAS21 – The Effects of Change in Foreign Exchange Rates – the Canadian dollar has been determined as the presentation currency of the Company and all subsidiaries, as the Canadian dollar was the currency in which the activities were carried out. Effects of changes in foreign exchange rates are recorded as foreign exchange gain (loss) on the consolidated statements of net loss and comprehensive loss.

(ii) Income taxes:

Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the liability method, providing for temporary difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

## **Changes in Accounting Policies**

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### *New Accounting Standards Not Yet Adopted*

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after June 1, 2025. Many are not applicable or do not have a significant impact to the Company and have been excluded. The Company is currently assessing the impact of these standards on the consolidated financial statements.

### *Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)*

In May 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments – Disclosures. The amendments clarify the derecognition of financial liabilities and introduces an accounting policy option to derecognize financial liabilities that are settled through an electronic payment system. The amendments also clarify how to assess the contractual cash flow characteristics of financial assets that include environmental,

social and governance (ESG)-linked features and other similar contingent features and the treatment of non-recourse assets and contractually linked instruments (CLIs). Further, the amendments mandate additional disclosures in IFRS 7 for financial instruments with contingent features and equity instruments classified at FVOCI. The amendments are effective for annual periods starting on or after January 1, 2026. Retrospective application is required and early adoption is permitted.

*Presentation and Disclosure in Financial Statements (IFRS 18)*

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements to improve reporting of financial performance. The new standard replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new categories and required subtotals in the statement of profit and loss and also requires disclosure of management-defined performance measures. It also includes new requirements for the location, aggregation and disaggregation of financial information. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements. Retrospective application is required and early adoption is permitted.