

# AVANT

March 2, 2026

## Management Discussion & Analysis

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Fourth Quarter and Year Ended  
November 30, 2025

(Expressed in Canadian Dollars)

## AVANT BRANDS INC.

### Management Discussion and Analysis

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This Management's Discussion and Analysis ("MD&A") of Avant Brands Inc. ("Avant" or the "Company") is for the year ended November 30, 2025. This MD&A should be read in conjunction with the audited financial statements of the Company for the year ended November 30, 2025, and November 30, 2024, together with the notes thereto. The Company's Financial Statements are prepared in accordance with International financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board (the "IASB").

This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – Continuous Disclosure Obligations. This MD&A, the Financial Statements, and other disclosures have been filed on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). Additional information can also be found on the Company's website at [www.avantbrands.ca](http://www.avantbrands.ca).

All financial information in this MD&A, other than certain non-GAAP measures, have been prepared in accordance with IFRS, and all dollar amounts are expressed in thousands of Canadian dollars ("\$"), except for share and per share calculations, references to \$ millions, per gram ("g") or kilogram ("kg") of dried flower, unless otherwise stated.

This MD&A contains "forward-looking information" within the meaning of applicable securities laws, and the use of certain non-GAAP measures. Refer to "Cautionary Statement Regarding Forward-Looking Information" and "Cautionary Statement Regarding Certain non-GAAP Performance Measures" in this MD&A.

This MD&A is prepared as of March 2, 2026.

### COMPANY OVERVIEW

Avant is an innovative leading producer of high-quality, handcrafted cannabis products. Avant has multiple licensed and operational production facilities across Canada producing Avant's premium consumer brands. Avant's recreational brand portfolio includes BLK MKT™, Tenzo™, and Treehugger™, which are produced from unique cultivars, and sold internationally in countries such as Israel, Australia, U.K. and Germany, and domestically in British Columbia, Saskatchewan, Manitoba, Ontario, Quebec, Atlantic Canada and the Territories. The domestic markets represent approximately 78% of the total Canadian recreational cannabis market. Avant's medical cannabis brand, Avant Medical, is distributed nationwide, directly to qualified patients through its online portal and licensed partners.

Avant is a publicly traded corporation, listed on the Toronto Stock Exchange (the "TSX") (TSX: AVNT), and cross trades on the OTCQX Best Market (OTCQX: AVTBF) and Frankfurt Stock Exchange (FRA: 1BU0). The Company is headquartered in Kelowna, British Columbia with operations in British Columbia and Ontario.

Avant is focused on creating long-term value for its shareholders and establishing itself as a leading premium cannabis company. As such, the Company has established the following key strategic areas of focus:

1. **Drive Product Innovation** – Continue developing and launching cutting-edge products to maintain Avant's leadership in the premium recreational cannabis market.
2. **Accelerate Global Expansion** – Expand cannabis exports into high-growth international markets, leveraging Avant's strong reputation in key regions such as Israel, Australia, and Europe.
3. **Elevate BLK MKT™ as a Global Leader** – Grow BLK MKT™ internationally to establish it as the premier ultra-premium cannabis brand.
4. **Enhance Financial & Operational Efficiency** – Maintain disciplined financial management and optimize operations to maximize output, profitability, and long-term sustainability.

### 2025 CORPORATE HIGHLIGHTS

Adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA") for the year ended November 30, 2025, was \$2.1 million, versus \$9.6 million in the comparative period of the prior year. Gross profit for the year ended November 30, 2025, was \$4.6 million, versus a gross loss of \$1.7 million in the comparative period of the prior year. Net loss before tax was \$9.9 million, versus \$25.8 million in the comparative period of the prior year. (Note: adjusted EBITDA is not a generally accepted accounting principle [a "non-GAAP"] performance measure and may not be comparable to similar financial measures disclosed by other issuers. Refer to "Cautionary Statement Regarding Certain Non-GAAP Performance Measures" for further details).

The Company's net cash flows generated from operating activities were \$5.7 million, compared to \$0.5 million in the comparative period of the prior year. The Company used substantially all cash flows generated from operating activities to fund financing cash outflows of \$6.2 million, lease liabilities and debt reduction.

Year to date net revenue increased to \$35.9 million ended November 30, 2025, versus \$35.8 million in the comparative period of the prior year. The Company is continuing its emphasis on increasing export wholesale revenue and domestic wholesale revenue, while pursuing continued organic growth in the recreational revenue stream.

On October 1, 2025, the Company ceased cultivation and processing operations at ACC (defined below), consolidating its cultivation with expanded capacity at FGO (defined below) and processing within the existing capacity at 3PL (defined below).

On October 1, 2025, the Company completed an asset sale agreement with an arms-length party (the "ACC Purchaser"), selling all or substantially all the assets (excluding licenses) and select liabilities of ACC to the ACC Purchaser. The cannabis license was subsequently terminated.

## AVANT BRANDS INC.

### Management Discussion and Analysis

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On November 7, 2025, the Company completed the repayment of its \$9.5 million Convertible Debenture A, retiring in full the obligation originally issued in connection with the 2023 acquisition of 3PL.

During the fiscal year ended November 30, 2025, the Company settled all previously disclosed material litigation. As at the date of this MD&A there is no outstanding material litigation involving the Company.

On December 11, 2025, the Company entered into an agreement with a government agency to receive \$2 million to improve lighting efficiency at FGO.

On January 9, 2026, the Company adopted a shareholder rights plan (the “**Shareholder Rights Plan**”). The Shareholder Rights Plan has been conditionally accepted by the TSX, subject to certain customary conditions, including ratification by Avant’s shareholders at its forthcoming annual general meeting of shareholders (the “**Meeting**”). If ratified, the Shareholder Rights Plan will remain in effect for a term of three years following ratification.

### CORPORATE OUTLOOK

Avant is focused on accelerating its global expansion as a core pillar of its long-term growth strategy. In Fiscal 2025, the Company continued its international growth by securing new export licensing agreements for its flagship BLK MKT™ brand customers in Australia and Germany — two strategically important markets. These developments underscore the increasing global demand for Avant’s ultra-premium cannabis products and reinforce the strength of its brand portfolio. Looking ahead, the Company will continue to prioritize international market expansion, targeted product innovation, and the cultivation of strategic partnerships to drive sustained global growth.

The Company’s core focus remains the sale of branded cannabis products in Canada and select international markets. Avant prioritizes brand loyalty and continuous product innovation, developing high-performance strains designed to optimize yield, cannabinoid content, terpene profiles, and consumer appeal. These ongoing innovations are essential to maintaining Avant’s competitive advantage within the premium segment of the recreational cannabis market.

Avant has established a robust global distribution network, with sales channels in key markets such as Israel, Australia, U.K. and Germany. The Company is committed to strategically expanding its international reach, leveraging its premium product offerings and regulatory expertise to access new high-potential markets. With its growing reputation for quality, Avant continues to strengthen the BLK MKT™ brand as a recognized name in the ultra-premium cannabis category.

Avant maintains its commitment to financial discipline and operational efficiency, focusing on optimizing output while pursuing sustainable growth. The Company’s successful export shipments demonstrate its ability to meet stringent international accreditation requirements and navigate complex regulatory environments. With ongoing sales to existing international markets, and successful initial shipments to new markets, Avant is well-positioned to capitalize on global market opportunities and drive continued success. In Fiscal 2026, we will continue to explore opportunities to enhance operational efficiencies and financial results. We will also continue to monitor key performance indicators to ensure we are achieving our financial and operational goals.

**AVANT BRANDS INC.**  
**Management Discussion and Analysis**

**FINANCIAL HIGHLIGHTS**

	2025	2024	2025 vs 2024 % Change
Revenue	<b>\$41,298</b>	\$39,967	<b>3%</b>
Excise tax	<b>(5,403)</b>	(4,164)	<b>(30%)</b>
Net Revenue	<b>35,895</b>	35,803	<b>0%</b>
Recreational revenue	<b>14,801</b>	12,490	<b>19%</b>
Domestic wholesale revenue	<b>5,337</b>	3,325	<b>61%</b>
Export wholesale revenue	<b>15,488</b>	19,393	<b>(20%)</b>
Medical revenue	<b>46</b>	83	<b>(45%)</b>
Management fees and other revenue	<b>223</b>	512	<b>(56%)</b>
Gross margin adjusted for fair value adjustments <sup>1</sup>	<b>7,698</b>	16,162	<b>(52%)</b>
Gross margin % adjusted for fair value adjustments <sup>2</sup>	<b>21%</b>	45%	<b>(53%)</b>
Gross profit	<b>4,569</b>	(1,676)	<b>373%</b>
Operating expenses from continuing operations <sup>3</sup>	<b>10,831</b>	11,670	<b>(7%)</b>
Other income (expenses)	<b>(3,654)</b>	(12,486)	<b>71%</b>
Net income (loss) before income tax	<b>(9,916)</b>	(25,832)	<b>62%</b>
Adjusted net income (loss) <sup>4</sup>	<b>(4,142)</b>	5,842	<b>(171%)</b>
Adjusted EBITDA <sup>5</sup>	<b>2,105</b>	9,604	<b>(78%)</b>
Cash flows from operating activities before working capital changes <sup>6</sup>	<b>(1,619)</b>	11,464	<b>(114%)</b>
Net cash flows from operating activities	<b>5,748</b>	507	<b>1,034%</b>
Kilograms of cannabis flower sold	<b>12,422</b>	13,560	<b>(8%)</b>
Kilograms of cannabis produced	<b>12,316</b>	12,643	<b>(3%)</b>

- (1) Gross margin adjusted for fair value adjustments is a non-GAAP performance measure and may not be comparable to similar financial measures disclosed by other issuers. Refer to "Cautionary Statement Regarding Certain Non-GAAP Performance Measures" section of this MD&A for further details.
- (2) Gross margin % adjusted for fair value adjustments is a non-GAAP performance ratio and may not be comparable to similar financial ratios disclosed by other issuers. Refer to "Cautionary Statement Regarding Certain Non-GAAP Performance Measures" section of this MD&A for further details.
- (3) Operating expenses from continuing operations is a non-GAAP performance measure and may not be comparable to similar financial measures disclosed by other issuers. Refer to "Cautionary Statement Regarding Certain Non-GAAP Performance Measures" section of this MD&A for further details.
- (4) Adjusted net income (loss) is a non-GAAP performance measure and may not be comparable to similar financial measures disclosed by other issuers. Refer to "Cautionary Statement Regarding Certain Non-GAAP Performance Measures" section of this MD&A for further details.
- (5) Adjusted EBITDA is a non-GAAP performance measure and may not be comparable to similar financial measures disclosed by other issuers. Refer to "Cautionary Statement Regarding Certain Non-GAAP Performance Measures" section of this MD&A for further details.
- (6) Cash flows from operating activities before working capital changes is a non-GAAP performance measure and may not be comparable to similar financial measures disclosed by other issuers. Refer to "Cautionary Statement Regarding Certain Non-GAAP Performance Measures" section of this MD&A for further details.

**AVANT BRANDS INC.**  
**Management Discussion and Analysis**

**CULTIVATION FACILITIES**

	<b>The Flowr Group Okanagan Inc.</b>	<b>3PL Ventures Inc.</b>	<b>Grey Bruce Farms Inc.</b>	<b>Tumbleweed Farms Corp.</b>	<b>Greentec Bio-Pharmaceuticals Inc.</b>
<b>Location</b>	Kelowna British Columbia	Vernon British Columbia	Tiverton Ontario	Chase British Columbia	Kelowna British Columbia
<b>Total Size (Sq ft)</b>	80,000	60,000	15,000	10,000	20,000
<b>Status</b>	Complete	Complete	Complete	Complete	Construction in Progress
<b>Licence(s)</b>	Cultivation Processing, Sales	Cultivation Processing, Sales	Cultivation, Processing	Cultivation Processing, Sales	-

**The Flowr Group (Okanagan) Inc. (“Flowr Okanagan” or “FGO”)**

Flowr Okanagan operates a fully built and operational 80,000-square-foot cannabis production facility in Kelowna, BC. Flowr Okanagan sells to provincial liquor boards, other domestic LPs, and export customers.

**3PL Ventures Inc. (“3PL”)**

3PL has a fully built and operational 60,000-square-foot cannabis production facility in Vernon, BC that sells to the provincial liquor boards, other domestic Licensed Producers (“LPs”), and export customers.

**Grey Bruce Farms Incorporated (“GBF”)**

GBF has a fully built and operational 15,000-square-foot cannabis production facility located in Tiverton, ON on nine acres of land with significant future expansion capabilities. GBF sells dried cannabis to provincial liquor boards.

**Tumbleweed Farms Corp. (“TWF”)**

TWF has a fully built and operational 10,000-square-foot cannabis production facility located in Chase, BC on 23 acres of land with significant future expansion capabilities.

**GreenTec Bio-Pharmaceuticals Inc. (“GBP”)**

The GBP facility was originally intended to be 80,000 square feet, with the first phase of development to be 20,000 square feet (“**GBP Phase One**”). The facility is located in Kelowna, BC and was intended to serve as Avant’s flagship cultivation facility with an anticipated opening in late 2019. After completing an extensive financial review, the Company suspended construction, to redirect capital to other priorities. The estimated cost to complete construction is approximately \$1,700.

**Avant Craft Cannabis Inc. (“ACC”)**

As part of the Company’s commitment to an ongoing assessment of operational efficiencies, ACC curtailed cannabis production at the 14,000-square-foot cannabis production facility located in Edmonton, AB, after September 1, 2025 (the “**ACC Curtailment**”). The reduction of ACC’s cultivation capacity has been materially offset by additional capacity added at Flowr Okanagan. Following the ACC Curtailment, the Company identified an opportunity, divesting materially all of the ACC assets to a purchaser on September 26, 2025, as a non-cash contribution to settle ongoing litigation (the “**Asset Sale**”).

**AVANT BRANDS INC.**  
**Management Discussion and Analysis**

**FINANCIAL RESULTS**

	Three months ended November 30		Year ended November 30	
	2025	2024	2025	2024
Revenue	\$11,164	\$12,064	\$41,298	\$39,967
Excise taxes	(1,786)	(1,092)	(5,403)	(4,164)
Net revenue	9,378	10,972	35,895	35,803
Cost of sales	(8,938)	(6,767)	(28,197)	(19,641)
Gross profit before fair value changes	440	4,205	7,698	16,162
Unrealized gain on changes in fair value of biological assets	2,638	(9,104)	8,116	2,611
Change in fair value of biological assets realized through inventory sold	(1,591)	3,145	(11,245)	(20,449)
<b>Gross profit (loss)</b>	<b>1,487</b>	<b>(1,754)</b>	<b>4,569</b>	<b>(1,676)</b>
<b>Operating expenses</b>				
Administration and general	78	314	883	1,526
Business fees and licenses	701	325	1,618	1,659
Consulting fees	153	215	829	1,148
Brokerage and commission fees	115	30	1,442	171
Depreciation and amortization	153	235	560	942
Marketing and advertising	45	89	270	221
Professional fees	9	340	1,015	1,908
Salaries and wages	1,142	728	2,993	3,168
Share based payments	36	36	909	761
Travel	58	63	312	166
	2,490	2,375	10,831	11,670
<b>Net income (loss) from operations</b>	<b>(1,003)</b>	<b>(4,129)</b>	<b>(6,262)</b>	<b>(13,346)</b>
<b>Other income (expense)</b>				
Financing costs	(312)	(55)	(1,093)	(73)
Interest and accretion	(182)	(483)	(817)	(1,511)
Foreign exchange loss	(3)	(1)	(10)	(4)
Loss on debt modification	-	55	(609)	(559)
Loss on construction in progress	(1,700)	(3,773)	(1,700)	(3,773)
Provision for legal expenses	(212)	(797)	(212)	(797)
Interest on related party loan	3	-	9	-
Gain on legal settlement	32	-	276	-
Gain on lease termination	2	-	2	-
Unrealized gain/loss on derivative liability	63	-	182	-
Insurance recovery	318	-	318	-
Other income	-	-	-	261
Loss on goodwill impairment	-	(6,024)	-	(6,024)
Realized loss on marketable securities and derivatives	-	(67)	-	(6)
Recovery on debt settlement	-	163	-	-
<b>Net loss before income tax</b>	<b>\$(2,994)</b>	<b>\$(15,111)</b>	<b>\$(9,916)</b>	<b>\$(25,832)</b>
Current income tax recovery	12	486	36	1,779
Deferred income tax recovery	-	1,499	-	1,499
<b>Net loss and comprehensive loss</b>	<b>\$(2,982)</b>	<b>\$(13,216)</b>	<b>\$(9,880)</b>	<b>\$(22,554)</b>
<b>Loss per common share</b>				
Basic and diluted	<b>\$(0.26)</b>	<b>\$(1.34)</b>	<b>\$(0.88)</b>	<b>\$(2.30)</b>
<b>Weighted average shares outstanding</b>				
Basic and diluted	11,341,542	9,822,045	11,176,375	9,822,045

# AVANT BRANDS INC.

## Management Discussion and Analysis

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### DISCUSSION OF FINANCIAL RESULTS

#### *Year Ended November 30, 2025*

##### **Net revenue**

The Company recognized net revenue of \$35.9 million in the year ended November 30, 2025, from the sale of 12,422 kg of cannabis. This is a \$0.1 million increase over \$35.8 million of net revenue in the comparative period of the prior year from the sale of 13,560 kg of cannabis.

Recreational cannabis sales accounted for 41% of net revenues during the year ended November 30, 2025, with domestic wholesale comprising 15%, export wholesale comprising 43% and management fees and other revenues comprising 1% of net revenues. This compares to 35% for recreational sales in the comparative period of the prior year, with the remainder coming from domestic wholesale at 9%, export at 54% and management fees and other revenue sales at 2% of net revenues. The Company continues to strategically adjust its sales mix to take advantage of the most favourable pricing in each market.

##### **Cost of sales**

Cost of sales increased to \$28.2 million in the year ended November 30, 2025, compared to \$19.6 million in the comparative period of the prior year. The increase in cost of sales is due to improved allocation of production costs to cost of sales. The Company undertook a review of production costs and their classifications, resulting in more expenditures being allocated to cost of sales and a reduction in change in fair value of biological assets realized through inventory sold.

The Company aims to increase cultivation of high yield strains which will lower average cost per gram while maintaining the quality required to continue expansion into international markets. Cannabis operations cost of sales was comprised of the purchase of materials, testing, packaging, freight, wages and salaries (including benefits), and an allocation of other operating expenses, including facility overhead and depreciation costs.

##### **Gross profit (loss)**

Gross profit was \$4.6 million, or 13% of net revenue for the year ended November 30, 2025, compared to a gross loss of \$1.7 million in the comparative period of prior year. The increase in gross profit is due to increased net revenue, and a decrease in changes in fair value of biological assets realized through inventory sold. The company continues to improve the efficiency of cultivation operations and the allocation of production costs, resulting in improved gross profit versus the comparative period of prior year.

##### **Operating expenses from continuing operations**

Operating expenses from continuing operations for the year ended November 30, 2025, decreased to \$10.8 million compared to \$11.7 million in the comparative period of the prior year, representing a 7% decrease. The decrease is due to reductions in corporate overhead costs including administration and general expenses, business fees and licenses, professional fees, and salaries and wages, offset by an increase in share-based payments and brokerage and commission fees. (Note: Operating expenses from continuing operations is a non-GAAP performance measure and may not be comparable to similar financial measures disclosed by other issuers. Refer to "Cautionary Statement Regarding Certain Non-GAAP Performance Measures" for further details).

##### **Adjusted EBITDA and adjusted net income (loss)**

Adjusted EBITDA was \$2.1 million for the year ended November 30, 2025, compared to \$9.6 million in the comparative period of the prior year. Adjusted net loss was \$(4.1) million for the year ended November 30, 2025, compared to \$5.8 million adjusted net income in the comparative period of the prior year. The decreases in adjusted EBITDA and adjusted net income (loss) are primarily driven by increased cost of sales and reduced fair value adjustments. (Note: adjusted EBITDA and adjusted net income (loss) are non-GAAP performance measures and may not be comparable to similar financial measures disclosed by other issuers. Refer to "Cautionary Statement Regarding Certain Non-GAAP Performance Measures" for further details).

#### *Three Month Period Ended November 30, 2025*

##### **Net revenue**

The Company recognized net revenue of \$9.4 million in the three-month period ended November 30, 2025, from the sale of 2,876 kg of cannabis, which is a \$1.6 million decrease over \$11.0 million of net revenue in the comparative period of the prior year from the sale of 4,980 kg of cannabis. The decrease in cannabis sold is due to the timing of bulk and export sales.

Recreational cannabis sales accounted for 68% of net revenues during the three-month period ended November 30, 2025, with domestic wholesale comprising 9%, export wholesale comprising 20%, and management fees and other revenues comprising 3% of net revenues. This compares to 27% for recreational sales in the comparative period of the prior year, with the remainder coming from domestic wholesale at 5%, export at 66% and management fees and other revenue sales at 2% of net revenues. The Company continues to strategically adjust its sales mix to take advantage of the most favourable pricing in each cannabis market.

## **AVANT BRANDS INC.**

### **Management Discussion and Analysis**

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#### **Cost of sales**

Cost of sales increased to \$8.9 million in the three-month period ended November 30, 2025, compared to \$6.8 million in the comparative period of the prior year. The increase in cost of sales is due to improved allocation of production costs to cost of sales and fair value adjustments. The Company undertook a review of production costs and their classifications, resulting in more expenditures being allocated to cost of sales and a reduction in change in fair value of biological assets realized through inventory sold.

The Company aims to increase cultivation of high yield strains which will lower average cost per gram while maintaining the quality required to continue expansion into international markets. Cannabis operations cost of sales was comprised of the purchase of materials, testing, packaging, freight, wages and salaries, including benefits, and an allocation of other operating expenses, including facility overhead and depreciation costs.

#### **Gross profit (loss)**

Gross profit increased to \$1.5 million, or 16% of net revenue for the three-month period ended November 30, 2025, compared to a gross loss of \$1.8 million in the comparative period of prior year. The increase in gross profit is due to an increase in unrealized gain on changes in fair value of biological assets due to the growth of plants and improved yields. The company continues to improve the efficiency of cultivation operations and the allocation of production costs, resulting in improved gross profit versus the comparative period of prior year.

#### **Operating expenses from continuing operations**

Operating expenses from continuing operations for the three-month period ended November 30, 2025, decreased by \$0.1 million or 4% less than the comparative period of the prior year. The decrease is due to reductions in corporate overhead costs including administration and general, consulting fees, professional fees, and salaries and wages, offset by an increase in brokerage and commission fees and business fees and licenses. (Note: Operating expenses from continuing operations is a non-GAAP performance measure and may not be comparable to similar financial measures disclosed by other issuers. Refer to "Cautionary Statement Regarding Certain Non-GAAP Performance Measures" for further details).

#### **Adjusted EBITDA and adjusted net income (loss)**

Adjusted EBITDA was \$(1.1) million for the three-month period ended November 30, 2025, compared to \$2.3 million in the comparative period of the prior year. Adjusted net loss was \$2.3 million for the three-month period ended November 30, 2025, compared to \$2.7 million adjusted net income in the comparative period of the prior year. The decreases in adjusted EBITDA and adjusted net income (loss) are primarily driven by increased cost of sales and reduced fair value adjustments. (Note: adjusted EBITDA and adjusted net income (loss) are non-GAAP performance measures and may not be comparable to similar financial measures disclosed by other issuers. Refer to "Cautionary Statement Regarding Certain Non-GAAP Performance Measures" for further details).

**AVANT BRANDS INC.**  
**Management Discussion and Analysis**

**Summary of Quarterly Results**

	Q4 25	Q3 25	Q2 25	Q1 25	Q4 24	Q3 24	Q2 24	Q1 24
<b>Revenue</b>	<b>\$11,164</b>	\$10,768	\$9,686	\$9,680	\$12,064	\$9,551	\$9,422	\$8,930
Excise tax	(1,786)	(1,356)	(1,184)	(1,077)	(1,092)	(1,086)	(1,132)	(854)
<b>Net Revenue</b>	<b>9,378</b>	9,412	8,502	8,603	10,972	8,465	8,290	8,076
Cost of sales	(8,938)	(7,311)	(6,268)	(5,680)	(6,767)	(4,276)	(5,241)	(3,357)
<b>Gross margin adjusted for fair value adjustments<sup>1</sup></b>	<b>440</b>	2,101	2,234	2,923	4,205	4,189	3,049	4,719
Net change in fair value of biological assets & impairment	1,047	(420)	(2,417)	(1,339)	(5,959)	(3,186)	(4,871)	(3,822)
<b>Gross margin</b>	<b>1,487</b>	1,681	(183)	1,584	(1,754)	1,003	(1,822)	897
Operating expenses	2,490	2,988	3,000	2,353	2,375	3,517	3,230	2,548
<b>Net (loss) income from operations</b>	<b>(1,003)</b>	(1,307)	(3,183)	(769)	(4,129)	(2,514)	(5,052)	(1,651)
Other income (expense)	(1,991)	(639)	(872)	(152)	(10,982)	(431)	27	(1,100)
<b>Net (loss) income before income tax</b>	<b>(2,994)</b>	(1,946)	(4,055)	(921)	(15,111)	(2,945)	(5,025)	(2,751)
Current income tax (expense) recovery	12	71	(47)	-	486	-	1,293	-
Deferred income tax (expense) recovery	-	-	-	-	1,499	-	-	-
<b>Net (loss) income from continuing operations</b>	<b>(2,982)</b>	(1,875)	(4,102)	(921)	(13,126)	(2,945)	(3,732)	(2,751)

(1) margin adjusted for fair value adjustments is a non-GAAP performance measure and may not be comparable to similar financial measures disclosed by other issuers. Refer to "Cautionary Statement Regarding Certain Non-GAAP Performance Measures" section of this MD&A for further details.

**LIQUIDITY AND CAPITAL RESOURCES**

The following table provides a summary of the Company's cash flows for the years ended November 30, 2025, and November 30, 2024:

	November 30, 2025	November 30, 2024
<b>Cash from/used in operating activities</b>		
- Before changes in non-cash working capital items <sup>1</sup>	<b>\$(1,619)</b>	\$11,464
- After changes in non-cash working capital items	<b>5,748</b>	507
<b>Cash flows from investing activities</b>	<b>211</b>	(78)
<b>Cash flows from financing activities</b>	<b>(6,214)</b>	539
<b>Net cash flows</b>	<b>(255)</b>	968
<b>Cash</b>	<b>\$1,485</b>	\$1,740

(1) Cash flows from operating activities before working capital changes is a non-GAAP performance measure and may not be comparable to similar financial measures disclosed by other issuers. Refer to "Cautionary Statement Regarding Certain Non-GAAP Performance Measures" section of this MD&A for further details.

The cash balance of \$1.5 million decreased from cash of \$1.7 million on November 30, 2024. The Company is reporting cash flows generated from operating activities of \$5.7 million for the year ended November 30, 2025, compared to \$0.5 million in the comparative prior year. The increase in cash flows from operating activities is driven by an increase in gross profit, and a reduced net loss from operations.

**Liquidity and Capital recourse**

The Company manages its capital structure based on the funds available to the Company for operations. The Company's Board of Directors (the "Board") does not establish quantitative return on capital criteria for management, rather relying on the expertise of the Company's management to sustain the future development of the business. The Company has historically relied on a combination of income from operations, the equity markets and debt financing to fund its activities. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

**AVANT BRANDS INC.**  
**Management Discussion and Analysis**

**FINANCIAL POSITION**

The following table provides a summary of the Company's financial position as at November 30, 2025, and November 30, 2024:

	November 30, 2025	November 30, 2024
Total assets	<b>\$49,240</b>	\$59,472
Total liabilities	<b>24,441</b>	26,617
Share capital & contributed surplus	<b>122,689</b>	120,865
Deficit	<b>\$(97,890)</b>	\$(88,010)

**PROPERTY, PLANT AND EQUIPMENT**

The following table provides a summary of the Company's property, plant and equipment as at November 30, 2025:

	TFGOK	3PL	GBP	TWF	GBF	ACC	Corporate	TOTAL
Land	\$-	\$-	\$19	\$160	\$195	\$-	\$974	<b>\$1,348</b>
Buildings	-	-	-	2,955	2,974	-	-	<b>5,929</b>
Growing & processing equipment	2,547	2,538	1,139	123	295	-	3	<b>6,645</b>
Other	-	10	-	1	2	-	4	<b>17</b>
Right-of-use assets	4,015	5,333	-	-	-	-	544	<b>9,892</b>
Leasehold improvements	-	2,024	-	-	-	-	-	<b>2,024</b>
Construction in process	-	-	1,508	-	-	-	-	<b>1,508</b>
	<b>\$6,562</b>	<b>\$9,905</b>	<b>\$2,666</b>	<b>\$3,239</b>	<b>\$3,466</b>	<b>\$-</b>	<b>\$1,525</b>	<b>\$27,363</b>

**SHAREHOLDERS' EQUITY**

The Company is authorized to issue an unlimited number of common shares ("Common Shares"). The table below outlines the number of issued and outstanding common shares, stock options ("Options"), restricted share units ("RSUs"), deferred share units ("DSUs") and share purchase warrants ("Warrants") of the Company:

	November 30, 2025	November 30, 2024
Common shares	<b>11,407,934</b>	10,630,698
Warrants	<b>2,003,779</b>	2,045,446
RSUs and DSUs	<b>905,688</b>	222,853
Options – vested and exercisable	-	449,454

As of November 30, 2025, the Company had 11,407,934 issued common shares.

**AVANT BRANDS INC.**  
**Management Discussion and Analysis**

**Warrants**

As at November 30, 2025, the following Warrants were outstanding:

Number of Warrants	Exercise price per share	Expiry date
45,833	\$7.50	Monday, February 23, 2026
58,333	\$9.00	Tuesday, July 14, 2026
474,613	\$3.60	Thursday, June 3, 2027
1,300,000	\$1.75	Wednesday, July 26, 2028
125,000	\$1.00	Thursday, September 28, 2028
<b>2,003,779</b>		

**RSUs and DSUs**

As at November 30, 2025, the following RSUs and DSUs were outstanding:

Number of RSUs and DSUs	Grant date
10,606	Friday, February 23, 2024
4,762	Friday, July 5, 2024
13,333	Tuesday, August 6, 2024
193,750	Monday, March 10, 2025
53,123	Tuesday, March 1, 2022
19,444	Monday, January 9, 2023
24,242	Monday, July 29, 2024
571,428	Monday, March 3, 2025
15,000	Monday, June 2, 2025
<b>905,688</b>	

**Options**

As at November 30, 2025, no options were outstanding.

**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 for the periods ended November 30, 2025, and November 30, 2024, consists of the following:

	November 30, 2025	November 30, 2024
Salaries and wages	<b>\$519</b>	\$857
Director fees	<b>161</b>	186
Share-based payments	<b>744</b>	396
<b>Total</b>	<b>\$1,424</b>	\$1,439

- (1) Share-based payments are the fair value of Options, RSUs and DSUs granted and vested to key management of the Company under the Company's incentive plans.

## AVANT BRANDS INC.

### Management Discussion and Analysis

#### Related party balances and transactions

As at November 30, 2025, due to related party payable included \$167 (November 30, 2024: \$143) due to directors of the Company in connection with accrued directors' fees and \$865 (November 30, 2024: \$325) due to officers of the company in connection with accrued compensation. Both of these balances are unsecured with no associated guarantees and no fixed repayment date.

During the year ended November 30, 2017, the Company entered into a share purchase agreement to purchase 100% interest in GBP. The entity was under common control of two members of the Company's management team. Certain milestones within these agreements remain outstanding and are disclosed below.

On January 31, 2024, the Company entered into a loan agreement with a related party in the amount of \$150. The loan bore interest at a rate of 8.5% per annum and was due on demand. The loan was paid back on February 22, 2024.

On May 8, 2024, the Company entered into a loan agreement with a related party in the amount of \$200. The loan is repayable on demand. The loan bore interest at a rate of 8.5% per annum and was fully repaid by the Company on July 29, 2024.

On June 3, 2024, the Company closed a private placement of which part proceeds were used to settle accounts payable and accrued liabilities due to directors of the Company in connection with directors' fees and executive officers' compensation in the amount of \$318. Related parties also contributed \$47 in cash through the private placement.

On December 5, 2024, due from related party receivable included a loan made to a related party the Company issued \$100 as part of a short-term loan agreement to a related party. Additional tranches of \$20 and \$10 were advanced on October 28, 2025, and November 21, 2025 respectively. The loan bears interest at 8.5%. The loan has no associated guarantee nor fixed repayment date. The loan has incurred interest income of \$9.

#### COMMITMENTS

The following table summarizes the maturities of the Company's financial liabilities as of November 30, 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	\$8,002	\$8,002	\$8,002	\$-	\$-
Lease liabilities	11,405	21,769	1,299	5,469	15,001
Secured credit facility	1,182	1,270	1,270	-	-
Convertible debenture B	2,720	3,396	1,231	2,165	-
<b>Total</b>	<b>\$23,309</b>	<b>\$34,437</b>	<b>\$11,802</b>	<b>\$7,634</b>	<b>\$15,001</b>

From time to time, the Company is engaged in various legal proceedings and claims that have arisen in the normal course of business. 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 November 30, 2025, the Company has accrued a provision of \$100 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.

#### GBP commitment

As at November 30, 2025, in connection with a previously completed asset acquisition, the Company has committed to issue common shares at a deemed subscription price equal to the greater of the ten day volume weighted average trading price or \$30 per common share. The total contingency is valued at \$2,500 based on the following events:

#### Trigger event

Completion of GBP construction of a Health Canada approved cannabis production facility in compliance with the <i>Cannabis Act</i> and the regulations promulgated thereunder (collectively, the "CA&R")	\$500
GBP obtaining a license to sell cannabis under the CA&R	500
GBP having sold an aggregate of 3,000kg of dried cannabis	750
GBP completing construction of an expansion to its production facility to increase production by at least 8,500kg per annum and receiving an amendment to its production and sales licenses	750
	<b>\$2,500</b>

**CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

The preparation of consolidated financial statements in conformity with IFRS requires management to make certain estimates and apply judgment affecting the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period.

The areas involving higher degrees of judgment, or areas where assumptions and estimates are significant to the financial statements, are:

**Biological assets**

The significant estimates and assumptions used to determine the fair value of the cannabis plants include:

- Estimated stage of growth of the cannabis up to the point of harvest
- Expected yield by strain of plant
- Fair value less cost to sell

As of November 30, 2025, a change of 10% in the estimated yield per plant, stage of growth, and fair value less cost to sell of dry cannabis would result in the variances noted below to the fair value of biological assets.

<b>Assumption</b>	<b>November 30, 2025</b>	<b>+/- 10%</b>
Yield per plant	58 - 95 grams of flower and 12 - 21 grams of trim per plant	\$564
FV less cost to sell	\$2.75 per gram of flower and \$nil per gram of trim	570
Estimated stage of growth	0% - 100% of life cycle per stage	564

On average, the growth cycle is between 14 to 17 weeks and the Company expects the average yield per plant to be between 58 grams to 95 grams of harvested flower and 12 to 21 grams of harvested trim.

The Company's estimates are, by their nature, subject to change and differences from anticipated yield, which will be reflected in the gain or loss on biological assets in future periods.

These inputs are Level 3 on the fair value hierarchy and are subject to volatility in market prices and several uncontrollable factors, such as unexpected production problems, equipment unavailability, inflationary pressures, supply chain disturbances, extreme weather, contractual, labour, or community disputes and the unavailability of required skilled labour, which could significantly affect the fair value of biological assets.

**Inventory**

In calculating final inventory values, management is required to determine an estimate of spoiled or expired inventory and compare the inventory cost to estimated net realizable value. Cost is determined using the weighted average method. The capitalized cost of inventory includes the capitalization of pre-harvest costs initially capitalized to biological assets prior to transfer to inventory plus post-harvest costs. Any subsequent post-harvest costs such as packaging materials and labour are capitalized to inventory to the extent that cost is less than net realizable value. The costs capitalized include labour, depreciation expense for machinery, right-of-use assets and equipment. These costs are recognized within the cost of goods sold upon the sale of inventory.

**Business combinations**

Judgement is used in determining whether an acquisition is a business combination or an asset acquisition.

Judgement exists when determining the acquirer. The purchase price allocation process resulting from a business combination requires management to estimate the fair value of identifiable assets acquired including intangible assets and liabilities assumed and including any contingently payable purchase price obligation due over time. The Company uses valuation techniques, which are generally based on forecasted future net cash flows discounted to present value. These valuations are closely linked to the assumptions used by management on the future performance of the related assets and the discount rates applied. The determination of fair value involves making estimates relating to acquired intangibles assets, property, plant and equipment and contingent consideration.

Management determines whether assets acquired, and liabilities assumed, constitute a business. A business consists of inputs and processes applied to those inputs that can create outputs. Acquisition-related costs are recognized in the consolidated statements of comprehensive loss as incurred.

## AVANT BRANDS INC.

### Management Discussion and Analysis

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#### Share based compensation

The fair value is determined based on the following factors:

- Company's share price at grant date;
- Exercise price;
- Expected volatility;
- Expected life;
- Forfeiture rate; and
- Risk-free interest rate.

Judgement is involved in analyzing the impact of non-vesting conditions such as requirements for employees to hold shares. Assumptions on the forfeiture rate at the time of grant are also subject to management estimates.

#### Income tax

The estimation of income taxes includes evaluating the recoverability of deferred tax assets and liabilities based on an assessment of the Company's ability to utilize the underlying future tax deductions and carried forward tax losses against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred income tax assets and liabilities will be realized. The ultimate realization of deferred tax assets and liabilities is dependent upon the generation of future taxable income. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets or liabilities, and deferred income tax provisions or recoveries could be affected.

### ADOPTION OF NEW ACCOUNTING PRONOUNCEMENTS

#### 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

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

The following accounting standard has become applicable for the current reporting period.

#### 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.

### 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
<b>Liabilities</b>		
Convertible debenture B	\$2,720	-
Secured credit facility	1,182	-

## **CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION**

This MD&A contains certain forward-looking information within the meaning of Canadian securities laws (collectively referred to herein as “forward-looking statements”). These statements relate to future events or the Company’s future performance. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are often identified by the words “may”, “would”, “could”, “should”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” or similar expressions.

Such forward-looking statements are based on numerous assumptions, including among others, the Company’s ability to create long-term value for its shareholders and establish itself as a premier craft cannabis company; the Company’s ability to grow market share; the Company’s ability to develop new and innovative products; the Company’s ability to expand into international cannabis export markets; the Company’s ability to operate in a cost-efficient manner; the Company’s ability to fulfill consumer demand in Canada and internationally; the Company’s expectations with respect to future increases in product output; the Company’s expectations with respect to the expansion of its genetics library; the Company’s ability to fulfill current and future orders; the Company’s expectations with respect to continuing demand for its products; the Company’s expectations with respect to the expansion of its cultivation facilities; the Company’s ability to achieve positive cash flow from operations; the Company’s ability to expand into new provincial and territorial markets; the Company’s expectations with respect to maintaining a competitive advantage over competitors; the Company’s ability to finance operating costs with current cash on hand and cash flow from operations; and the Company’s expectations with respect to other economic, business, and/or competitive factors.

Forward-looking statements are not guarantees of future performance, but are instead based on the reasonable assumptions and estimates of the Company’s management at the time they are made and involve known and unknown risks, uncertainties and other factors that may cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements contained in this MD&A. Such factors include, but are not limited to, the factors discussed in the section entitled “Risks and Uncertainties” herein and in the section entitled “Risk Factors” herein and the section entitled “Risk Factors” in the Company’s annual information form dated March 2, 2026 (the “AIF”).

Forward-looking statements contained herein are made as of the date of this MD&A and, other than as required by law, the Company disclaims any obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned that the foregoing list of important factors and assumptions is not exhaustive, and all forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements.

The forward-looking statements contained herein are based on information available as of November 30, 2025.

## **CAUTIONARY STATEMENT REGARDING CERTAIN NON-GAAP PERFORMANCE MEASURES**

This MD&A includes references to non-GAAP and other financial measures as defined in NI 52-112. These financial measures are used by the Company to evaluate its financial performance, financial position and cash flow and include non-GAAP financial measures, non-GAAP ratios, total of segments measures, capital management measures, and supplementary financial measures. These financial measures are not defined by IFRS and therefore are referred to as non-GAAP and other financial measures. The non-GAAP and other financial measures used by the Company may not be comparable to similar measures presented by other companies and should not be considered an alternative to or more meaningful than the most directly comparable financial measure presented in the financial statements, as applicable, as an indication of the Company’s performance. Descriptions of the Company’s non-GAAP and other financial measures included in this MD&A, and reconciliations to the most directly comparable GAAP measure, as applicable, are provided below.

### **Adjusted EBITDA**

Adjusted EBITDA is a non-GAAP financial measure that is not a recognized, defined, or standardized measure under IFRS and may not be comparable to similar measures presented by other companies. It is intended to provide a proxy for the Company’s operating cash flow and may be used by industry analysts to compare the Company to its competitors and derive expectations of the future financial performance of the Company. The Company considers adjusted EBITDA a key measure in evaluating its performance by eliminating variability resulting from differences in capital structures, management decisions related to resource allocation, and the impact of fair value adjustments on biological assets and inventory, which may be volatile on a period-to-period basis. Management defines adjusted EBITDA as net income or loss from continuing operations before income tax, as reported, adjusted for depreciation and amortization including the amount capitalized to inventory excluding intangible amortization, equity loss on investment in associate, gains on legal settlement, insurance recovery, financing costs, gains and losses on marketable securities, Canadian emergency wage subsidy, recovery/loss on debt settlement and modification, loss on goodwill impairment, loss on construction in progress, interest and accretion, share-based payments, change in fair value of biological assets realized through inventory sold, and unrealized gains and losses on changes in fair value of biological assets.

**AVANT BRANDS INC.**  
**Management Discussion and Analysis**

	Three months ended		Twelve months ended	
	November 30, 2025	November 30, 2024	November 30, 2025	November 30, 2024
<b>Net loss before income tax</b>	<b>\$(2,994)</b>	<b>\$(15,111)</b>	<b>\$(9,916)</b>	<b>\$(25,832)</b>
Depreciation and amortization <sup>1</sup>	1,164	1,200	4,549	4,891
Interest and accretion	182	483	817	1,511
Financing costs	312	55	1,093	73
Unrealized gain on marketable securities and derivatives	-	67	-	6
Share based payments	36	36	909	761
Insurance recovery	(318)	-	(318)	-
Loss on construction in progress	1,700	3,773	1,700	3,773
Interest on related party loan	(3)	-	(9)	-
Loss on goodwill impairment	-	6,024	-	6,024
Loss on debt settlement	-	(163)	-	-
Loss (recovery) on debt modification	-	(55)	609	559
Unrealized (gain) on derivative liability	(63)	-	(182)	-
Gain on legal settlement	(32)	-	(276)	-
Change in fair value of biological assets realized through inventory sold	1,591	(3,145)	11,245	20,449
Unrealized (gain) on changes in fair value of biological assets	(2,638)	9,104	(8,116)	(2,611)
<b>Adjusted EBITDA</b>	<b>\$(1,063)</b>	<b>\$2,268</b>	<b>\$2,105</b>	<b>\$9,604</b>

(1) Includes the amount capitalized to inventory, excludes intangible amortization

**Change in composition of non-GAAP financial measure**

During 2025, the Company revised the composition of its adjusted EBITDA, a non-GAAP financial measure to adjust for gain on legal settlement and insurance recovery. The revision will provide users a better representation of the Company's performance by reversing out the impact of these one time gains. The composition of this measure has been updated for all periods presented.

**Adjusted net income (loss)**

Adjusted net income (loss) is a non-GAAP financial measure that is not a recognized, defined, or standardized measure under IFRS and may not be comparable to similar measures presented by other companies. Management believes this measure provides useful information as it represents true normalized operating earnings. Management defines adjusted net income (loss) as net income (loss) from continuing operations, as reported, adjusted for equity (gain) loss on investment in associate, Canadian emergency wage subsidy, share-based payments, fair value gain on acquisition, change in fair value of biological assets realized through inventory sold, loss on goodwill impairment, loss on construction in progress and unrealized gains and losses on changes in fair value of biological assets.

	Three months ended		Twelve months ended	
	November 30, 2025	November 30, 2024	November 30, 2025	November 30, 2024
<b>Net loss and comprehensive loss</b>	<b>\$(2,982)</b>	<b>\$(13,126)</b>	<b>\$(9,880)</b>	<b>\$(22,554)</b>
Share based payments	36	36	909	761
Equity (gain) loss on investment in associate	-	-	-	-
Loss on goodwill impairment	-	6,024	-	6,024
Loss on construction in progress	1,700	3,773	1,700	3,773
Unrealized gain (loss) on changes in fair value of biological assets	(2,638)	9,104	(8,116)	(2,611)
Change in fair value of biological assets realized through inventory sold	1,591	(3,145)	11,245	20,449
<b>Adjusted net income (loss)</b>	<b>\$(2,293)</b>	<b>\$2,666</b>	<b>\$(4,142)</b>	<b>\$5,842</b>

**AVANT BRANDS INC.**  
**Management Discussion and Analysis**

**Gross margin adjusted for fair value adjustments**

Gross margin adjusted for fair value adjustments is a non-GAAP financial measure that is not a recognized, defined, or standardized measure under IFRS. Management considers gross margin adjusted for fair value adjustments as an alternative representation of performance which excludes non-cash gains or losses based on the fair market value less cost to sell. Management believes this measure provides useful information to approximate gross margin less non-cash gains/losses.

	Three months ended		Twelve months ended	
	November 30, 2025	November 30, 2024	November 30, 2025	November 30, 2024
<b>Gross profit (loss)</b>	<b>\$1,487</b>	\$(1,754)	<b>\$4,569</b>	\$(1,676)
Unrealized gain on changes in fair value of biological assets	<b>(2,638)</b>	9,104	<b>(8,116)</b>	(2,611)
Change in fair value of biological assets realized through inventory sold	<b>1,591</b>	(3,145)	<b>11,245</b>	20,449
<b>Gross margin adjusted for fair value adjustments</b>	<b>\$440</b>	\$4,205	<b>\$7,698</b>	\$16,162

**Gross margin % adjusted for fair value adjustments**

Gross margin % adjusted for fair value adjustments is a non-GAAP financial ratio that is not recognized, defined, or a standardized measure under IFRS. The ratio is calculated as Gross margin adjusted for fair value adjustments (as defined above) divided by net revenue.

	Three months ended		Twelve months ended	
	November 30, 2025	November 30, 2024	November 30, 2025	November 30, 2024
<b>Gross margin adjusted for fair value adjustments (refer to above)</b>	<b>\$440</b>	\$4,205	<b>\$7,698</b>	\$16,162
Net Revenue	<b>9,378</b>	10,972	<b>35,895</b>	35,803
<b>Gross margin % adjusted for fair value adjustments</b>	<b>5%</b>	38%	<b>21%</b>	45%

**Operating expenses excluding non-cash**

Operating expenses excluding non-cash items is a non-GAAP financial measure that is not a recognized, defined, or a standardized measure under IFRS and may not be comparable to similar measures presented by other companies. Management considers operating expenses excluding non-cash items as a proxy for the Company's costs and removes non-cash operating expenses such as share-based payments and depreciation.

Management defines operating expenses excluding non-cash items as operating expenses from continuing operations, as reported, adjusted for depreciation and amortization, share-based payments, and any other non-cash item that may be charged to operating expenses. Management believes this measure provides useful information as it is a measurement of cash-based operating expenses.

	Three months ended		Twelve months ended	
	November 30, 2025	November 30, 2024	November 30, 2025	November 30, 2024
<b>Operating expenses from continuing operations</b>	<b>\$2,490</b>	\$2,375	<b>\$10,831</b>	\$11,670
Depreciation and amortization	<b>(153)</b>	(235)	<b>(560)</b>	(942)
Share based payments	<b>(36)</b>	(36)	<b>(909)</b>	(761)
<b>Operating expenses excluding non-cash items</b>	<b>\$2,301</b>	\$2,104	<b>\$9,362</b>	\$9,967

## AVANT BRANDS INC.

### Management Discussion and Analysis

#### Operating expenses from continuing operations

Operating expenses from continuing operations is a non-GAAP financial measure that is not a recognized, defined, or standardized measure under IFRS and may not be comparable to similar measures presented by other companies. Management considers operating expenses from continuing operations as a proxy for the Company's true cost of operations.

Management defines operating expenses from continuing operations as Net income (loss) from operations, as reported, deducting gross profit (loss), as reported, to isolate for operating expenses from continuing operations. Management believes this measure provides useful information as it represents the cost of maintaining operations.

	Three months ended		Twelve months ended	
	November 30, 2025	November 30, 2024	November 30, 2025	November 30, 2024
<b>Net loss from operations</b>	<b>\$(1,003)</b>	\$(4,129)	<b>\$(6,262)</b>	\$(13,346)
Gross (profit) loss	<b>(1,487)</b>	1,754	<b>(4,569)</b>	1,676
<b>Operating expenses from continuing operations</b>	<b>\$(2,490)</b>	\$(2,375)	<b>\$(10,831)</b>	\$(11,670)

#### Cash flows from operating activities before working capital changes

Cash flows from operating activities before working capital changes is a non-GAAP financial measure that is not a recognized, defined, or a standardized measure under IFRS and may not be comparable to similar measures presented by other companies. Management considers cash flows from operating activities before working capital changes as a proxy for the Company's operating cash flow and removes changes in working capital impacts.

Management defines Cash flows from operating activities before working capital changes as net cash flows generated from operating activities, as reported, adjusted for trade and other receivables, prepaid expenses and deposits, biological assets, inventory, accounts payable and accrued liabilities and any other working capital change adjustments disclosed on the cash flow statement. Management believes this measure provides useful information as it is a measurement of cash generated by the business.

See the table below for the determination of specific components of cash flows from operating activities before working capital changes:

	Twelve months ended	
	November 30, 2025	November 30, 2024
<b>Net cash flows generated from operating activities</b>	<b>\$5,748</b>	\$507
Changes in working capital - Trade and other receivables	<b>(523)</b>	2,937
Changes in working capital – Prepaid expenses and deposits	<b>(597)</b>	(602)
Changes in working capital – Biological assets	<b>2,109</b>	16,460
Changes in working capital – Inventory	<b>(7,433)</b>	(11,803)
Changes in working capital – Accounts payable and accrued liabilities	<b>(359)</b>	3,965
Changes in working capital – Due to related party	<b>(564)</b>	-
<b>Cash flows from operating activities before working capital changes</b>	<b>\$(1,619)</b>	\$11,464

## RISK FACTORS

There are several risk factors that could cause the Company's actual results, performance, and achievements to differ materially from those described herein. If any of these risks occur, the Company's business may be harmed, and its financial condition and results of operations may suffer significantly. Such risk factors include, but are not limited to, the following risk factors as well as those listed under the heading "Risk Factors" in the Company's AIF, which has been filed under the Company's profile on SEDAR at [www.sedarplus.ca](http://www.sedarplus.ca). For a more extensive discussion on risks and uncertainties, please refer to the AIF.

This section discusses factors relating to the business of the Company that should be considered by both existing and potential investors. The information in this section is intended to serve as an overview and should not be considered comprehensive, and the Company may face risks and uncertainties not discussed in this section, or not currently known to us, or that we deem to be immaterial. All risks to the Company's business have the potential to influence its operations in a materially adverse manner.

## **AVANT BRANDS INC.**

### **Management Discussion and Analysis**

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#### **Liquidity and additional financing**

The Company has limited financial resources and revenues. There can be no assurance that additional funding will be available to the Company for further development of its assets or to fulfill its obligations under applicable agreements. Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could cause the Company to reduce or terminate its operations.

#### **Reliance on licenses**

The Company's ability to cultivate, produce and sell cannabis in Canada is dependent on maintaining its license with Health Canada. All of the Company's licenses are, or will be, subject to ongoing compliance and reporting requirements. Failure to comply with the requirements of the licenses, to maintain its licenses, and to renew the licenses after their expiry dates would have a material adverse impact on the business, financial condition and operating results of the Company.

Should Health Canada not extend or renew existing licenses, renew existing licenses on different terms, or refuse applications for new licenses, the business, financial condition and operating results of the Company would be materially adversely affected.

#### **Change in laws, regulations and guidelines**

The Company's business is subject to particular laws, regulations, and guidelines. The production and distribution of cannabis is a highly regulated field, and although the Company intends to comply with all laws and regulations, any changes to such laws, regulations, guidelines and policies due to matters beyond the control of the Company may cause adverse effects to its operations.

#### **History of losses, and no assurance of profitability**

The Company was incorporated and began operations in June 2017, and as of the date of this, MD&A has not generated material positive net cash flows. The Company is subject to all of the business risks and uncertainties associated with any stage enterprise, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources, and lack of profitability.

The Company has incurred operating losses in recent periods. The Company may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Company expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Company's revenues do not increase to offset these expected increases in costs and operating expenses, the Company will not be profitable. There is no assurance that the Company will be successful in achieving a return on shareholders' investments, and the likelihood of success must be considered in light of the growth stage of operations.

#### **Litigation**

The Company may become party to litigation, mediation and/or arbitration from time to time in the ordinary course of business, which could adversely affect its business. Monitoring and defending against legal actions, whether or not meritorious, can be time-consuming, divert management's attention and resources and cause the Company to incur significant expenses. In addition, legal fees and costs incurred in connection with such activities may be significant, and we could, in the future, be subject to judgments or enter into settlements of claims for significant monetary damages.

#### **Fluctuating prices of raw materials**

The Company's revenues are largely derived from the production, sale, and distribution of agricultural products or products related to the growth of such agricultural products. The price of production, sale and distribution of these products will fluctuate widely and is affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new production and distribution developments and improved production and distribution methods. The effect of these factors on the price of the Company's products and, therefore, the economic viability cannot accurately be predicted.

In addition, the current economic environment may result in significant inflationary pressures for the price of the Company's inputs, and labour, which could have a material effect on the Company's business, financial condition or results of operations. The Company may not be able to fully offset such higher costs through price increases. The Company's inability or failure to do so could harm its business, financial condition, and results of operations.

#### **Volatile market price of common shares**

The market price of the Common Shares may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control. This volatility may affect the ability of holders of Common Shares to sell their securities for a profit or at all. Market price fluctuations in the Common Shares may be due to the Company's operating results failing to meet expectations of securities analysts (including short-sellers) or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors.

Financial markets have historically, at times, experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Common Shares may decline even if the Company's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue, the Company's operations could be adversely impacted, and the trading price of the Common Shares may be materially adversely affected.

## **MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS**

In the preparation of the Company's financial statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements.

Pursuant to National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings ("**NI 52-109**"), the Company is required to establish and maintain disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"). DC&P are designed to provide reasonable assurance that information required to be disclosed by an issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by an issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the issuer's management, including its certifying officers, as appropriate to allow timely decisions regarding required disclosure. ICFR is a process designed by, or under the supervision of, an issuer's certifying officers and effected by the issuer's board of directors, management, and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Pursuant to NI 52-109, the Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**" together with the CEO, the "**Certifying Officers**") of the Company are required to certify that they are responsible for establishing and maintaining the Company's DC&P and ICFR. In addition, the Certifying Officers are required to confirm that they have designed, or caused to be designed, the Company's DC&P and provide reasonable assurance that (i) material information relating to the Company was made known to the Certifying Officers by others, particularly during the period in which the Filings (as defined below) were prepared; and (ii) information required to be disclosed by the Company in the Filings was recorded, processed, summarized and reported within the time periods specified in securities legislation. Further, the Certifying Officers are required to confirm that they have designed, or caused to be designed, the Company's ICFR and provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Certifying Officers are also responsible for disclosing any changes in the Company's ICFR that occurred during the most recent period that has materially affected or is reasonably likely to materially affect, the Company's ICFR.

In accordance with NI 52-109, the Certifying Officers have certified that they have reviewed the Financial Statements and MD&A (collectively, the "**Filings**") and that, based on their knowledge and having exercised reasonable diligence, (i) the Filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the Filings; and (ii) the Financial Statements together with the other financial information included in the Filings fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented in the Filings.

The Company's ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with IFRS. However, due to inherent limitations, internal control over financial reporting may not prevent or detect all misstatements and fraud, which may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Management has used the Internal Control-Integrated Framework (COSO 2013 Framework) issued by the Committee of Sponsoring Organization of the Treadway Commission to assess the effectiveness of the Company's ICFR. There have been no changes in the Company's ICFR reporting during the year ended November 30, 2025, which have materially affected or are reasonably likely to materially affect, the Company's ICFR.

### **Approval**

The Board oversees management's responsibility for financial reporting and internal control systems through the Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the financial statements and related financial reporting and internal control matters before the financial statements are approved by the Board. The Board has approved the financial statements for the years ending November 30, 2025 and November 30, 2024 and the disclosure contained in this MD&A.