

AVANT

April 11, 2025

Condensed Interim Consolidated Financial Statements

(Unaudited - Expressed
in Canadian dollars)

Three Months Ending February 28, 2025

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORTING

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

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

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

AVANT BRANDS INC.**Condensed Interim Consolidated Statements of Financial Position***As at February 28, 2025 and November 30, 2024**(Unaudited, Expressed in Thousands of Canadian Dollars Except Share Amounts)*

	Note	February 28, 2025	November 30, 2024
Assets			
Current assets			
Cash		\$ 997	\$ 1,740
Trade and other receivables	4	5,289	6,784
Due from related party	17	102	-
Prepaid expenses and deposits	5	1,458	1,009
Biological assets	6	6,031	6,655
Inventory		10,402	10,039
		24,279	26,227
Property, plant and equipment	8	30,745	31,822
Intangible assets	9	1,326	1,423
Total assets		\$ 56,350	\$ 59,472
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		\$ 7,371	\$ 8,361
Lease liabilities	10	1,260	1,529
Convertible debenture A	11	1,125	1,665
Secured credit facility	12	1,551	1,547
Convertible debenture B	13	1,304	1,399
Due to related party	17	456	468
		13,067	14,969
Lease liabilities	10	8,777	8,667
Secured credit facility	12	508	778
Convertible debenture B	13	2,026	2,203
Total liabilities		24,378	26,617
Shareholders' equity			
Share capital	14	110,227	109,804
Contributed surplus	14	10,676	11,061
Accumulated deficit		(88,931)	(88,010)
Total shareholders' equity		31,972	32,855
Total liabilities and shareholders' equity		\$ 56,350	\$ 59,472

Nature and continuance of operations (Note 1)**Commitments and contingencies (Note 19)**

Approved on behalf of the Board on April 11, 2025:

/s/ Derek Sanders, Director

/s/ Duane Lo, Director

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

AVANT BRANDS INC.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three-month periods ended February 28, 2025 and February 29, 2024

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

	Note	February 28, 2025	February 29, 2024
Revenue		\$9,680	\$8,930
Excise taxes		(1,077)	(854)
Net revenue	16	8,603	8,076
Cost of sales		(5,680)	(3,357)
Gross profit before fair value changes		2,923	4,719
Unrealized gain on changes in fair value of biological assets		2,873	5,535
Change in fair value of biological assets realized through inventory sold		(4,212)	(9,357)
Gross profit		1,584	897
Operating expenses			
Administration and general		253	403
Business fees and licenses		215	348
Consulting fees		387	152
Depreciation and amortization	8,9	154	400
Marketing and advertising		82	84
Professional fees		409	346
Salaries and wages		726	610
Share based payments	15	36	172
Travel		91	33
		2,353	2,548
Net loss from operations		(769)	(1,651)
Other income (expense)			
Financing costs		(2)	(7)
Interest and accretion	10,11,12,13	(149)	(472)
Foreign exchange loss		(1)	(1)
Loss on debt modification		-	(614)
Unrealized loss on marketable securities and derivatives		-	(6)
Net loss before income tax		\$(921)	\$(2,751)
Net loss and comprehensive loss		\$(921)	\$(2,751)
Loss per common share			
Basic and diluted		\$(0.09)	\$(0.32)
Weighted average shares outstanding			
Basic and diluted		10,684,446	8,709,781

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

AVANT BRANDS INC.**Condensed Interim Consolidated Statements of Changes in Equity***As at February 28, 2025 and February 29, 2024**(Unaudited, Expressed in Thousands of Canadian Dollars Except Share Amounts)*

	Shares	Share capital	Contributed Surplus	Deficit	Total
Balance at November 30, 2023	8,636,280	\$104,571	\$10,670	\$(65,913)	\$49,328
Net loss for the period	-	-	-	(2,751)	(2,751)
Share units released	1,724	10	(10)	-	-
Shares issued for services	27,328	130	(130)	-	-
Convertible debenture modification	545,171	1,799	(515)	447	1,731
Warrants issued on debt modification	-	-	55	-	55
Promissory note modification	22,430	74	-	-	74
Share-based compensation	53,571	225	172	-	397
Balance at February 29, 2024	9,286,504	\$106,809	\$10,242	\$(68,217)	\$48,834
Balance at November 30, 2024	10,630,698	\$109,804	\$11,061	\$(88,010)	\$32,855
Net loss for the period	-	-	-	(921)	(921)
Share units released	8,333	18	(18)	-	-
Shares issued for services	106,842	405	(405)	-	-
Share-based compensation	-	-	38	-	38
Balance at February 28, 2025	10,745,873	\$110,227	\$10,676	\$(88,931)	\$31,972

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

AVANT BRANDS INC.**Condensed Interim Consolidated Statements of Cash Flows***For the three-month periods ended February 28, 2025 and February 29, 2024**(Unaudited, Expressed in Thousands of Canadian Dollars Except Share Amounts)*

	February 28, 2025	February 29, 2024
Net loss	(921)	(2,751)
Adjustments for non-cash items:		
Unrealized gain on changes in fair value of biological assets	(2,873)	(5,535)
Change in fair value of biological assets realized through inventory sold	4,212	9,357
Depreciation and amortization	1,122	1,418
Interest and accretion	297	479
Financing costs	2	7
Share-based payments	38	172
Other income	-	1
Loss on debt modification	-	614
Unrealized loss on marketable securities	-	6
	1,877	3,768
Changes in working capital		
Trade and other receivables	1,495	(295)
Prepaid expenses and deposits	(449)	244
Biological assets	(715)	(2,749)
Inventory	(116)	329
Accounts payable and accrued liabilities	(1,002)	(129)
Net cash flows generated from operating activities	1,090	1,168
Cash flows from investing activities		
Disposal of property and equipment	-	9
Purchase of property, plant and equipment	(2)	-
Net cash flows generated (used in) from investing activities	(2)	9
Cash flows from financing activities		
Lease liability payments	(354)	(348)
Repayment of secured credit facility	(365)	(365)
Repayment of convertible debenture A	(599)	(118)
Repayment of convertible debenture B	(413)	-
Loan issued to related party	(100)	-
Repayment of promissory note	-	(323)
Net cash flows used in financing activities	(1,831)	(1,154)
Increase (decrease) in cash	(743)	23
Cash – beginning of period	1,740	772
Cash – end of period	997	795

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

AVANT BRANDS INC.

Notes to the Condensed Interim Consolidated Financial Statements

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

1 Nature and continuance of operations

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

The Company’s principal business activity is cultivation, production, marketing and sales of cannabis products and pursuing opportunities in the cannabis industry. The Company is a publicly traded company listed on the Toronto Stock Exchange (“TSX”) (TSX: AVNT), and trades on the OTCQX Best Markets (OTCQX: AVTBF) and Frankfurt Stock Exchange (FRA: 1BU0). The Company’s head office is located at Suite 335 – 1632 Dickson Avenue, Kelowna, British Columbia, V1Y 7T2.

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

The Company has incurred losses since inception and has an accumulated deficit of \$88,931 as at February 28, 2025, funded primarily by the issuance of equity, convertible debentures, and a secured credit facility. There is a material uncertainty related to the financial conditions that may cast significant doubt on the Company’s ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. The Company’s ability to continue as a going concern depends upon its ability to generate profitable operations or raise adequate financing in the future.

The Company’s objective when managing capital is to maintain adequate levels of funding to support the development of its businesses and maintain the necessary corporate and administrative functions to facilitate these activities. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company is subject to externally imposed capital requirements which it has met as of February 28, 2025. The Company may raise additional debt or equity financing in the near future to meet its obligations.

2 Basis of presentation

Statement of compliance and basis of measurement

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

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

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

These condensed interim consolidated financial statements of the Company were approved and authorized for issue by the Board of Directors of the Company (the “Board”) on April 11, 2025.

AVANT BRANDS INC.

Notes to the Condensed Interim Consolidated Financial Statements

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

Basis of consolidation

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

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

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

3 Adoption of new accounting pronouncements

a) New standards and interpretations not yet adopted:

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

- Presentation and Disclosure in Financial Statements – IFRS 18
- Classification of Liabilities as Current or Non-current – Amendments to IAS 1

b) New and amended standards adopted by the Company:

No amendments to accounting standards have been published since November 30, 2024, that are mandatory for the current reporting period or have been early adopted by the Company.

AVANT BRANDS INC.

Notes to the Condensed Interim Consolidated Financial Statements

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

4 Trade and other receivables

As of February 28, 2025, and November 30, 2024, trade and other receivables consisted of:

	February 28, 2025	November 30, 2024
Trade accounts receivable	\$5,248	\$6,746
Other receivables	41	38
Total	\$5,289	\$6,784

As of February 28, 2025, and November 30, 2024, the Company performed an analysis over its aged receivables balance by customer. The majority of receivables are from government bodies, which generally have low default risk. The balance by customer review showed a history of collections from trade and other receivables being reasonably assured. From the review, the Company noted that no further allowance is required, and the Company recognized a \$nil provision for AFDA as at February 28, 2025 (November 30, 2024: \$nil).

5 Prepaid expenses and deposits

As of February 28, 2025, and November 30, 2024, prepaid expenses and deposits consisted of:

	February 28, 2025	November 30, 2024
Packaging material prepayments	\$-	\$90
Deposits and other	1,458	919
Total	\$1,458	\$1,009

6 Biological assets

The following is the continuity of biological assets:

	February 28, 2025	November 30, 2024
Carrying amount, opening	\$6,655	\$8,033
Production costs	4,918	18,263
Changes in fair value less costs to sell due to biological transformation	2,061	2,659
Transferred to inventory upon harvest	(7,603)	(22,300)
Total	\$6,031	\$6,655

As at February 28, 2025, it is estimated that the Company's biological assets will yield approximately 2,034,052 grams of flower (November 30, 2024: 2,238,535 grams) and 483,969 grams of trim when harvested (November 30, 2024: 552,031 grams). The Company's biological assets yielded 3,326 kilograms of cannabis for the three-month period ended February 28, 2025 (February 29, 2024: 3,231 kilograms). As at February 28, 2025, the Company has determined the average fair value less cost to sell to be \$2.96 per gram of flower (November 30, 2024: \$2.97) and \$nil per gram of trim (November 30, 2024: \$nil).

AVANT BRANDS INC.

Notes to the Condensed Interim Consolidated Financial Statements

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

As of February 28, 2025, a change of 10% in the estimated yield per plant, growth cycle, and fair value less cost to sell of dry cannabis would result in the variances noted below to the fair value of biological assets:

Assumption	February 28, 2025	+/- 10%
Yield per plant	66 - 80 grams of flower and 14 – 24 grams of trim per plant	\$603
FV less cost to sell	\$2.96 per gram of flower and \$0 per gram of trim	610
Estimated stage of growth	0% - 100% of Life Cycle per stage	\$603

7 Inventory

The Company's inventories are comprised of the following balances as at February 28, 2025, and November 30, 2024:

	February 28, 2025	November 30, 2024
Dry cannabis		
Available for packaging	\$8,880	\$8,439
Packaged inventory	1,096	1,286
Packaging materials	426	314
Total	\$10,402	\$10,039

As at February 28, 2025, the Company holds 3,640,869 grams of harvested cannabis (November 30, 2024: 3,807,500 grams), which is comprised of 3,008,137 grams of harvested flower and 632,732 grams of harvested trim (November 30, 2024: 2,845,385 grams of harvested flower and 962,115 grams of harvested trim).

The Company recognized \$5,680 as inventory expense relating to cannabis sold during the three-month period ended February 28, 2025 (February 29, 2024: \$3,357).

AVANT BRANDS INC.

Notes to the Condensed Interim Consolidated Financial Statements

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

8 Property, plant and equipment

	Land	Buildings	Construction in-process	Growing and processing equipment	Right-of-use asset	Leasehold Improvements	Other	Total
Cost								
Balance – November 30, 2023	\$1,348	\$9,300	\$6,984	\$13,281	\$11,570	\$7,962	\$345	\$50,790
Additions	-	-	1	70	1	-	35	107
Disposals	-	-	-	(9)	-	-	(3)	(12)
Impairment	-	-	(3,773)	-	-	-	-	(3,773)
Lease modification	-	-	-	-	381	-	-	381
Balance – November 30, 2024	\$1,348	\$9,300	\$3,212	\$13,342	\$11,952	\$7,962	\$377	\$47,493
Additions	-	-	-	-	-	-	2	2
Disposals	-	-	-	-	-	-	-	-
Lease modification	-	-	-	-	(54)	-	-	(54)
Balance – February 28, 2025	\$1,348	\$9,300	\$3,212	\$13,342	\$11,898	\$7,962	\$379	\$47,441
Accumulated depreciation								
Balance – November 30, 2023	\$-	\$(2,451)	\$-	\$(3,540)	\$(2,011)	\$(3,217)	\$(287)	\$(11,506)
Additions	-	(458)	-	(1,511)	(767)	(1,374)	(55)	(4,165)
Disposals	-	-	-	-	-	-	-	-
Balance – November 30, 2024	\$-	\$(2,909)	\$-	\$(5,051)	\$(2,778)	\$(4,591)	\$(342)	\$(15,671)
Additions	-	(114)	-	(353)	(219)	(336)	(3)	(1,025)
Disposals	-	-	-	-	-	-	-	-
Balance – February 28, 2025	\$-	\$(3,023)	\$-	\$(5,404)	\$(2,997)	\$(4,927)	\$(345)	\$(16,696)
Net book value								
November 30, 2024	\$1,348	\$6,391	\$3,212	\$8,291	\$9,174	\$3,371	\$35	\$31,822
February 28, 2025	\$1,348	\$6,277	\$3,212	\$7,938	\$8,901	\$3,035	\$34	\$30,745

During the three-month period ended February 28, 2025, the Company allocated \$971 (February 29, 2024: \$1,019) of depreciation expense to cost of inventory.

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

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

9 Intangible assets and goodwill

The Company's intangible assets, licenses to sell cannabis, were considered definite lived. The Company completes an annual assessment of the recoverable amount of the goodwill.

	Intangible asset	Goodwill	Total
Cost			
Balance – November 30, 2023	\$5,589	\$6,024	\$11,613
Balance – November 30, 2024	5,589	6,024	11,613
Balance – February 28, 2025	\$5,589	\$6,024	\$11,613
Accumulated amortization and impairment			
Balance – November 30, 2023	\$(3,534)	-	\$(3,534)
Amortization	(632)	-	(632)
Impairment	-	(6,024)	(6,024)
Balance – November 30, 2024	(4,166)	(6,024)	(10,190)
Amortization	(97)	-	(97)
Balance – February 28, 2025	\$(4,263)	\$(6,024)	\$(10,287)
Net book value			
Balance – November 30, 2024	\$1,423	-	\$1,423
Balance – February 28, 2025	\$1,326	-	\$1,326

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

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

10 Lease liabilities

The following is the continuity of lease liability:

Liability carrying value, November 30, 2023	\$10,044
Lease modification	536
Lease payments	(1,395)
Interest expense on lease liability	1,011
Liability carrying value, November 30, 2024	\$10,196
Lease modification	(54)
Principal and interest payments	(354)
Interest and accretion	249
Liability carrying value, February 28, 2025	\$10,037
Liability component current portion	\$1,260
Liability component long-term portion	\$8,777

During the three-month period ended February 28, 2025, the Company allocated \$164 (February 29, 2024: \$240) of interest expense on lease liability (included in financing costs) to cost of inventory. For a breakdown of future lease payments, refer to Note 18.

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

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

11 Convertible debenture - A

The following is the continuity schedule for convertible debenture A:

Liability component carrying value, November 30, 2023	\$4,658
Principal and interest payments	(1,465)
Interest and accretion	604
Extinguished debt	(5,442)
New debt	3,310
Liability component carrying value, November 30, 2024	\$1,665
Principal and interest payments	(599)
Interest and accretion	59
Liability component carrying value, February 28, 2025	\$1,125
Equity conversion feature, November 30, 2023	\$515
Debt modification - Reclassification	(515)
Equity conversion feature carrying value, November 30, 2024	\$-
Equity conversion feature carrying value, February 28, 2025	\$-
Liability component current portion	\$1,125
Liability component long-term portion	-

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

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

12 Secured credit facility

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

Secured facility financial liability, November 30, 2023	\$3,273
Principal and interest payments	(1,461)
Interest and accretion	513
Secured facility financial liability, November 30, 2024	\$2,325
Principal and interest payments	(365)
Interest and accretion	99
Secured facility financial liability, February 28, 2025	\$2,059
Warrants - equity instrument, November 30, 2023	\$84
Warrants - equity instrument, November 30, 2024	\$84
Warrants - equity instrument, February 28, 2025	\$84
Secured facility current portion	\$1,551
Secured facility long-term portion	\$508

13 Convertible debenture - B

The following is the continuity of convertible debenture B:

Liability component carrying value, November 30, 2023	\$-
New debt	3,398
Interest and accretion	204
Liability component carrying value, November 30, 2024	\$3,602
Principal and interest payments	(413)
Interest and accretion	141
Liability component carrying value, February 28, 2025	\$3,330
Liability component current portion	\$1,304
Liability component long-term portion	\$2,026

AVANT BRANDS INC.

Notes to the Condensed Interim Consolidated Financial Statements

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

14 Share capital

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

(a) Issued shares

During the three months ended February 28, 2025:

- (i) The Company issued 8,333 common shares in connection with employment compensation agreements and share units released, resulting in a decrease to contributed surplus of \$18 and an increase in share capital of \$18.
- (ii) The Company issued 106,842 common shares to service providers in connection with services received, resulting in a decrease to contributed surplus of \$405 and an increase in share capital of \$405.

During the three months ended February 29, 2024:

- (i) The Company issued 1,724 common shares in connection with employment compensation agreements, resulting in a decrease to contributed surplus of \$10 and an increase in share capital of \$10.
- (ii) The Company issued 27,328 common shares to service providers in connection with services received, resulting in a decrease to contributed surplus of \$130 and an increase in share capital of \$130.
- (iii) The Company issued 545,171 common shares valued at \$1,799 in connection with the renegotiation of the convertible debenture A.
- (iv) The Company issued 22,430 common shares with a fair value of \$74 relating to modification of the promissory note.
- (v) The Company issued 672,891 common shares valued at \$74 in connection with the renegotiation of the promissory note.

(b) Escrow shares.

As of February 28, 2025, the Company has 10,745,873 issued common shares, with 95,834 common shares being held in escrow.

(c) Share purchase warrants

Warrant transactions are summarized as follows:

	Number of share purchase warrants	Weighted average exercise price
Balance – November 30, 2023	1,452,208	\$24.90
Granted	1,820,446	3.27
Expired	(1,227,208)	26.86
Balance – November 30, 2024	2,045,446	\$4.47
Expired	(166,667)	15.00
Balance – February 28, 2025	1,878,779	\$3.54

The weighted average outstanding life of warrants outstanding as at February 28, 2025, is 3 years (November 30, 2024: 3.03 years).

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

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

At February 28, 2025, the following share purchase warrants were outstanding:

Number of share purchase warrants	Exercise price per share	Expiry date
45,833	\$7.50	February 23, 2026
58,333	\$9.00	July 14, 2026
474,613	\$3.60	June 3, 2027
1,300,000	\$3.00	July 26, 2028
1,878,779		

15 Stock-based compensation**(a) Stock options**

Stock option transactions are summarized as follows:

	Number of shares	Weighted average exercise price
Balance – November 30, 2023	535,704	\$6.90
Expired/cancelled	(66,250)	9.91
Balance – November 30, 2024	469,454	\$6.48
Expired/cancelled	(168,667)	8.10
Balance – February 28, 2025	300,787	\$5.57

The weighted average outstanding life of stock options outstanding as at February 28, 2025, is 0.92 years (November 30, 2024: 0.84 years).

At February 28, 2025, the following stock options were outstanding:

Number of options	Options vested and exercisable	Exercise price per share	Expiry date
200,000	200,000	\$5.40	January 9, 2026
100,787	100,787	\$6.00	March 14, 2026
300,787	300,787		

(b) Share-based payments

During the three-month period ended February 28, 2025, the Company recorded share-based payment expense of \$38 (February 29, 2024: \$172).

The share-based payments represent the fair value of stock options vested during three-month period ended February 28, 2025, and are estimated on the grant date using the Black-Scholes option pricing model. The share-based payments also consist of common shares issued for services during the period.

AVANT BRANDS INC.

Notes to the Condensed Interim Consolidated Financial Statements

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

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

RSU and DSU transactions are summarized as follows:

	Number of RSUs and DSUs	Weighted average issue price
Balance – November 30, 2023	123,190	\$9.00
Granted	423,500	3.13
Vested and released	(317,355)	3.83
Forfeited	(6,482)	5.40
Balance – November 30, 2024	222,853	\$5.31
Vested and released	(17,128)	2.48
Forfeited	(4,168)	3.00
Balance – February 28, 2025	201,557	\$5.60

The weighted average outstanding life of RSUs and DSUs outstanding as at February 28, 2025, is 0.71 years (November 30, 2024: 0.79 years). Share-based payments included \$36 of RSU and DSU expense (November 30, 2024: \$131).

At February 28, 2025, the following RSUs and DSUs were outstanding:

Number of RSUs and DSUs	Grant date	Vesting Date
53,122	Mar. 1, 2022	Mar. 1, 2022, Jun. 1, 2022, Sep. 1, 2022, Dec. 1, 2022, Mar. 1, 2023
19,444	Jan. 9, 2023	Apr. 14, 2023, Jul. 15, 2023, Oct. 15, 2023, Feb.28, 2024
16,667	Feb. 23, 2024	Mar. 1 2025, Mar.1 2026, Mar.1 2027
20,000	Mar. 18, 2024	Mar. 1 2025, Mar. 15 2025, Dec. 15 2025
17,857	Jul. 5, 2024	Jan. 5 2025, Apr. 5 2025, Jun. 22 2025, Jun. 22 2026
45,671	Jul. 29, 2024	Sep. 5 2023, Dec. 5 2023, Feb. 23 2024, Mar. 5 2024, May 23 2024, Jun 5 2024, Jul 29 2024, Aug 23 2024, Nov 23 2024
20,000	Aug. 6, 2024	Aug. 6, 2025, Aug. 6, 2026, Aug. 6, 2027
8,796	Nov. 21, 2024	Apr.14, 2025
201,557		

AVANT BRANDS INC.

Notes to the Condensed Interim Consolidated Financial Statements

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16 Net revenue

The Company's total net revenues were as follows:

	February 28, 2025	February 29, 2024
Recreational revenue	\$3,018	\$3,403
Provision for sales returns and allowances	(200)	(31)
Net recreational revenue	\$2,818	\$3,372
Domestic wholesale revenue	921	1,285
Export wholesale revenue	4,690	3,325
Medical revenue	22	16
Management fees and other revenue	152	78
Total	\$8,603	\$8,076

17 Related party transactions

Key management compensation

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

Key management compensation for the three-month periods ended February 28, 2025, and February 29, 2024, consists of the following:

	February 28, 2025	February 29, 2024
Salaries and wages	\$135	\$192
Director fees	45	44
Share-based payments	11	73
Total	\$191	\$309

Related party balances

As at February 28, 2025, due to related party payable included \$188 (November 30, 2024: \$143) due to directors of the Company in connection with accrued directors' fees and \$268 due to officers of the company in connection with accrued compensation. All balances are unsecured with no associated guarantees and no fixed repayment date.

Due from related party receivable included a loan made to a related party by the Company with interest accrued outstanding at \$102. Refer below for further details on the loan. All balances are unsecured with no associated guarantees and no fixed repayment date.

Related party transactions

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

AVANT BRANDS INC.

Notes to the Condensed Interim Consolidated Financial Statements

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18 Financial instruments

Fair value classification of financial instruments

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

	Amortized cost	Fair Value through Profit or Loss	Total
Liabilities			
Convertible debenture A	\$1,125	\$-	\$1,125
Convertible debenture B	3,330	-	3,330
Secured credit facility	2,059	-	2,059

Maturity Risk

The following table summarizes the maturities of the Company's financial liabilities as at February 28, 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	\$7,371	\$7,371	\$7,371	\$-	\$-
Lease liabilities	10,037	20,867	1,311	4,937	14,619
Secured credit facility	2,059	2,365	1,461	904	-
Convertible debenture A	1,125	1,198	1,198	-	-
Convertible debenture B	3,330	4,383	1,304	3,079	-
Total	\$23,922	\$36,184	\$12,645	\$8,920	\$14,619

19 Commitments and contingencies

From time to time, the Company is engaged in various legal proceedings and claims that have arisen in the normal course of business. The 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 February 28, 2025, the Company has accrued a provision of \$900 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.

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GBP commitment

As at February 28, 2025, in connection with a previously completed asset acquisition, the Company has committed to issue common shares valued at \$2,500 contingent on future events as follows:

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

20 Comparative figures

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