# TRUBAR INC.

## (FORMERLY, SIMPLY BETTER BRANDS CORP.)

## CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## FOR THE THREE MONTHS ENDED MARCH 31, 2025

## (UNAUDITED)

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

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

The accompanying unaudited interim financial statements of TRUBAR Inc. (formerly, Simply Better Brands Corp.) for the three months ended March 31, 2025 have been prepared by the management of the Company and approved by the Company's Audit Committee and the Company's Board of Directors.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

## Table of Contents

**TRUBAR Inc. (formerly, Simply Better Brands Corp.)**
Condensed Consolidated Interim Statements of Financial Position (unaudited)
(Expressed in United States Dollars)

| As at | Note(s) | March 31, 2025 $ | December 31, 2024 $ |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash | 3 | 1,648,328 | 7,063,073 |
| Accounts receivable | 4 | 5,598,394 | 10,254,649 |
| Other receivable | 5 | 118,235 | 233,481 |
| Prepaid expenses and others | 6 | 343,783 | 398,776 |
| Inventory | 7 | 8,804,022 | 3,842,293 |
| | | **16,512,762** | **21,792,272** |
| **Non-current assets** | | | |
| Intangible assets | | 20,000 | 20,000 |
| Goodwill | | 3,902,398 | 3,902,398 |
| | | **3,922,398** | **3,922,398** |
| **TOTAL ASSETS** | | **20,435,160** | **25,714,670** |
| **LIABILITIES** | | | |
| **Current liabilities** | | | |
| Bank overdraft | 3 | 2,227,422 | 4,102,551 |
| Accounts payable and accrued liabilities | 8 | 6,698,733 | 10,435,993 |
| Deferred revenue | | - | 87,458 |
| Current portion of promissory note | 10 | 2,244,082 | 3,075,173 |
| Warrant liabilities | 9 | 1,943,421 | 6,399,511 |
| | | **13,113,658** | **24,100,686** |
| **Non-current liabilities** | | | |
| Promissory note | 10 | 247,321 | 333,054 |
| | | **247,321** | **333,054** |
| **TOTAL LIABILITIES** | | **13,360,979** | **24,433,740** |
| **SHAREHOLDERS' EQUITY** | | | |
| Share capital | 11 | 67,802,857 | 61,046,402 |
| Additional paid-in capital | 11 | 3,629,099 | 3,629,099 |
| Reserves | 11 | 2,383,279 | 2,155,722 |
| Accumulated deficit | | (66,444,678) | (65,284,289) |
| Accumulated other comprehensive income | | 100,329 | 104,040 |
| **Equity attributable to owners of the Company** | | **7,470,886** | **1,650,974** |
| Non-controlling interest | 11 | (396,705) | (370,044) |
| **TOTAL SHAREHOLDERS' EQUITY** | | **7,074,181** | **1,280,930** |
| **TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY** | | **20,435,160** | **25,714,670** |

| | |
|---|---|
| **Corporate information and continuance of operations** | 1 |
| **Commitments** | 16 |
| **Segmented information** | 18 |
| **Subsequent events** | 11 |

**These unaudited condensed consolidated interim financial statements were approved for issue on May 28, 2025 by the Board of Directors and signed on its behalf by:**

**/s/ J.R. Kingsley Ward Director** **/s/ Brock Bundy Director**

**TRUBAR Inc. (formerly, Simply Better Brands Corp.)**
Condensed Consolidated Interim Statements of Loss and Comprehensive Loss (unaudited)
(Expressed in United States Dollars)

| | Note(s) | For the three months ended March 31, 2025 $ | March 31, 2024 $ |
|---|---|---|---|
| **Revenue** | | **10,161,958** | **13,669,313** |
| **Cost of goods sold** | | **(6,971,948)** | **(9,868,088)** |
| **Gross profit** | | **3,190,010** | **3,801,225** |
| **Expenses** | | | |
| Amortization | | - | 383,349 |
| Consulting fees | | - | 120,000 |
| General and administrative expenses | | 716,023 | 611,941 |
| Marketing expenses | | 2,001,031 | 1,540,160 |
| Professional fees | | 606,111 | 397,508 |
| Regulatory and filing fees | | 46,407 | 9,193 |
| Research and development | | 32,191 | - |
| Salaries and wages | | 1,095,032 | 660,298 |
| Share-based payments | 11 | 445,150 | (374,128) |
| Travel and entertainment | | 4,202 | 14,163 |
| **Total expenses** | | **(4,946,147)** | **(3,362,484)** |
| **Loss before other (expenses) Income** | | **(1,756,137)** | **438,741** |
| **Other income (expenses)** | | | |
| Fair value adjustment of derivative liability | | - | (69,640) |
| Finance costs | 3, 10, 14 | (140,183) | (332,012) |
| Foreign exchange (loss) gain | | (130,953) | 52,068 |
| Gain on modification of promissory notes | | - | 26,026 |
| Gain (loss) on remeasurement of warrant liabilities | 9 | 840,223 | (333,336) |
| **Total other income (expenses)** | | **569,087** | **(656,894)** |
| **Loss from continuing operations** | | **(1,187,050)** | **(218,153)** |
| **Discontinued operations** | | | |
| Loss from discontinued operations | 21 | - | (741,077) |
| **Net loss** | | **(1,187,050)** | **(959,230)** |
| **Other comprehensive loss** | | | |
| **Items that may be reclassified subsequently to profit or loss:** | | | |
| Foreign currency translation differences for foreign operations | | (3,711) | (8,468) |
| **Total comprehensive loss** | | **(1,190,761)** | **(967,698)** |
| **Total comprehensive loss attributable to:** | | | |
| Equity holders of the parent | | (1,164,100) | (533,604) |
| Non-controlling interests | 11 | (26,661) | (434,094) |
| **Total** | | **(1,190,761)** | **(967,698)** |
| **Basic and diluted loss per share for the period attributable to common shareholders ($ per common share)** | | | |
| **- Continuing operations** | | **(0.01)** | **(0.00)** |
| **- Total** | | **(0.01)** | **(0.01)** |
| **Weighted average number of common shares outstanding - basic and diluted** | | **104,512,612** | **72,546,612** |

**TRUBAR Inc. (formerly, Simply Better Brands Corp.)**

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficiency) (unaudited)

(Expressed in United States Dollars)

| | Note(s) | Share # | capital $ | Additional paid-in capital $ | Reserves $ | Accumulated deficit $ | Accumulated other comprehensive income $ | TOTAL $ | Non-controlling interest $ | TOTAL $ |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance as of December 31, 2024** | | **97,750,165** | **61,046,402** | **3,629,099** | **2,155,722** | **(65,284,289)** | **104,040** | **1,650,974** | **(370,044)** | **1,280,930** |
| Shares issued for cash - exercise of warrants | 9, 11 | 9,281,108 | 2,899,580 | - | - | - | - | **2,899,580** | - | **2,899,580** |
| Shares issued for cash - exercise of stock options | 11 | 125,000 | 23,415 | - | - | - | - | **23,415** | - | **23,415** |
| Shares issued for earn out payments | 11, 16 | 23,980 | 18,297 | - | - | - | - | **18,297** | - | **18,297** |
| Reclassification of grant-date fair value on exercise of warrants | 9, 11 | - | 3,797,224 | - | (181,357) | - | - | **3,615,867** | - | **3,615,867** |
| Reclassification of grant-date fair value on exercise of stock options | 11 | - | 17,939 | - | (17,939) | - | - | **-** | - | **-** |
| Share-based payments | 11 | - | - | - | 426,853 | - | - | **426,853** | - | **426,853** |
| Loss and comprehensive loss | | - | - | - | - | (1,160,389) | (3,711) | **(1,164,100)** | (26,661) | **(1,190,761)** |
| **Balance as of March 31, 2025** | | **107,180,253** | **67,802,857** | **3,629,099** | **2,383,279** | **(66,444,678)** | **100,329** | **7,470,886** | **(396,705)** | **7,074,181** |

| | Note(s) | Share # | capital $ | Additional paid-in capital $ | Reserves $ | Accumulated deficit $ | Accumulated other comprehensive income $ | TOTAL $ | Non-controlling interest $ | TOTAL $ |
|---|---|---|---|---|---|---|---|---|---|---|
| **Balance as of December 31, 2023** | | **72,391,957** | **51,289,400** | **3,179,510** | **3,146,535** | **(61,263,220)** | **21,066** | **(3,626,709)** | **(4,014,100)** | **(7,640,809)** |
| Shares issued for restricted share units | 11 | 508,584 | 143,240 | - | (143,240) | - | - | **-** | - | **-** |
| Shares issued for earn out payments | 11, 16 | 71,829 | 21,692 | - | - | - | - | **21,692** | - | **21,692** |
| Share-based payments | 11 | - | - | - | (395,820) | - | - | **(395,820)** | - | **(395,820)** |
| Loss and comprehensive loss | | - | - | - | - | (525,136) | (8,468) | **(533,604)** | (434,094) | **(967,698)** |
| **Balance as of March 31, 2024** | | **72,972,370** | **51,454,332** | **3,179,510** | **2,607,475** | **(61,788,356)** | **12,598** | **(4,534,441)** | **(4,448,194)** | **(8,982,635)** |

## TRUBAR Inc. (formerly, Simply Better Brands Corp.)
Condensed Consolidated Interim Statements of Cash Flows (unaudited)
(Expressed in United States Dollars)

| | | For the three months ended | |
|---|---|---|---|
| | | March 31, 2025 | March 31, 2024 |
| | Note(s) | $ | $ |
| **Cash flow from (used in)** | | | |
| **OPERATING ACTIVITIES** | | | |
| **Net loss from continuing operations** | | (1,187,050) | (218,153) |
| Non-cash finance costs | 10 | 117,825 | 322,684 |
| Amortization | | - | 383,349 |
| Fair value adjustment of derivative liability | | - | 69,640 |
| Accretion of interest on other receivables | 5 | (2,851) | - |
| Gain on modification of promissory notes | | - | (26,026) |
| (Gain) loss on remeasurement of warrant liabilities | 9 | (840,223) | 333,336 |
| Share-based payments | 11 | 445,150 | (374,128) |
| Effects of currency exchange rate changes | 10 | 3,389 | (11,712) |
| **Net changes in non-cash working capital items:** | | | |
| Accounts receivable | | 4,654,180 | 142,276 |
| Other receivable | | 18,097 | 72,982 |
| Prepaid expenses | | 54,993 | 1,093,742 |
| Inventory | | (4,961,086) | 3,347,449 |
| Accounts payable and accrued liabilities | | (3,797,437) | 1,620,760 |
| Deferred revenue | | (87,458) | - |
| **Cash flow (used in) provided by continuing operations** | | **(5,582,471)** | **6,756,199** |
| Cash flow used in discontinued operations | 21 | - | (250,128) |
| **Cash flow (used in) provided by operating activities** | | **(5,582,471)** | **6,506,071** |
| | | | |
| **INVESTING ACTIVITIES** | | | |
| Cash received for RG Proceeds | 5 | 100,000 | - |
| **Cash flow provided by investing activities** | | **100,000** | **-** |
| | | | |
| **FINANCING ACTIVITIES** | | | |
| Bank overdraft | 3 | (1,875,129) | - |
| Proceeds from exercise of options | 11 | 23,415 | - |
| Proceeds from exercise of warrants | 11 | 2,899,580 | - |
| Proceeds from issuance of promissory notes | 10 | - | 250,000 |
| Advances from revolving credit facilities | | - | 3,370,000 |
| Repayment to the revolving credit facilities | | - | (9,743,671) |
| Repayment of loan payable | | - | (570,527) |
| Repayment of promissory notes | 10 | (977,677) | (182,282) |
| **Cash flow provided by (used in) financing activities** | | **70,189** | **(6,876,480)** |
| Effects of exchange rate changes on cash | | (2,463) | (12,917) |
| **Decrease in cash** | | **(5,414,745)** | **(383,326)** |
| **Opening cash** | | **7,063,073** | **2,330,382** |
| **Closing cash** | | **1,648,328** | **1,947,056** |

**Supplemental cash flow information** 14

## 1. CORPORATE INFORMATION AND CONTINUANCE OF OPERATIONS

TRUBAR Inc. (the “Company”) was incorporated by Certificate of Incorporation issued pursuant to the provisions of the British Columbia Business Corporations Act on March 19, 2018, and changed its name from AF1 Capital Corp. to PureK Holdings Corp. on December 8, 2020, and from PureK Holdings Corp. to Simply Better Brands Corp. on May 3, 2021. Subsequent to the reporting period, on May 21, 2025 the Company changed its corporate name from “Simply Better Brands Corp.” to “TRUBAR Inc.”.

The Company is listed on the TSX Venture Exchange (the “Exchange”).

The Company is an international omni-channel platform with diversified assets in the plant-based and holistic wellness consumer product categories. The Company focuses on innovation in the plant-based, natural, and clean ingredient space. The Company also focuses on expansion into consumer product categories including plant-based food and beverage, and skin care industries. The head office and the registered address of the Company are 95 Wellington St W, 14th floor, Toronto, Ontario M5J 2N7.

These unaudited condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern. Management believes that its current working capital and planned operating results will provide sufficient working capital for its present obligations and planned activities for at least twelve months commencing March 31, 2025.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION AND BASIS OF PRESENTATION

***Statement of compliance with IFRS Accounting Standards(“IFRS”)***
These unaudited condensed consolidated interim financial statements of the Company have been prepared using accounting policies consistent with IFRS as issued by the International Accounting Standards Board. These financial statements comply with International Accounting Standard 34, Interim Financial Reporting.

***Basis of preparation***
The unaudited condensed consolidated interim financial statements include the accounts of TRUBAR Inc. and its subsidiaries. This interim financial report does not contain all the information required for a full annual financial report. Instead, it is intended to provide users with an update on significant events and transactions that affect the Company's financial position and performance since the end of the last annual reporting period. Accordingly, it is recommended that this financial report be read in conjunction with the Company's annual financial statements for the year ended December 31, 2024. For details regarding events occurring during the three months ended March 31, 2024, please refer to the unaudited condensed consolidated interim financial statements for during the three months ended March 31, 2024. Both financial statements are available on SEDAR at www.sedarplus.com. Certain amounts from prior periods have been reclassified to conform with the current period presentation.

***New accounting standards issued and not yet effective***
The IASB has issued IFRS 18, Presentation and Disclosure in Financial Statements, replacing IAS 1, Presentation of Financial Statements. IFRS 18 introduces revised requirements for presenting and disclosing financial information, with the objective of improving consistency and comparability across entities. The updates include the definition of subtotals in the statement of profit or loss, such as operating profit and profit before financing and income taxes. Furthermore, it requires the disclosure of management-defined performance measures (MPMs), which are subtotals not specified by IFRS but represent management's view of performance. In addition, IFRS 18 enhances the principles of aggregation and disaggregation to ensure that material information is not obscured. This new standard is effective for annual reporting periods beginning on or after January 1, 2027, with early application permitted. The Company is currently evaluating the potential effects of IFRS 18 on its financial statements. Although the adoption of IFRS 18 is expected to improve the presentation and disclosure of financial information, it is not anticipated to have a material impact on the Company's financial position or performance.

(Expressed in United States Dollars)

## 3. CASH AND CASH EQUIVALENTS

| | March 31, 2025<br>$ | December 31, 2024<br>$ |
|---|---|---|
| Cash | 1,648,328 | 7,063,073 |
| Bank overdraft | (2,227,422) | (4,102,551) |
| | **(579,094)** | **2,960,522** |

On November 8, 2024, the Company, through its subsidiary Tru Brands Snack Company ("TBS"), entered into a credit facility (the "TBS Overdraft Facility") with a bank. The TBS Overdraft Facility provides $10,000,000 in overdraft protection to the Company for operating purposes and is repayable on demand. The TBS Overdraft Facility bears an interest rate of the prime rate of the bank plus 3.5% or the US base rate plus 3.5% per annum. Interest is calculated monthly in arrears and is payable monthly on the last day of each month. During the three-month period ended March 31, 2025, interest expense recognized on this facility amounted to $22,481 (March 31, 2024 – $nil).

The TBS Overdraft Facility is secured with all the present and after-acquired assets of TBS.

The TBS Overdraft Facility contains financial covenants stating that the quotient of total debts of TBS divided by the earnings before interest, taxes, depreciation, and amortization (EBITDA) for each reporting period is required to be less than or equal to 3.75 (3 from the fiscal year ending 2025 onwards). Additionally, the interest coverage ratio of TBS for each reporting period is required to be greater than or equal to 2.

***Subsequent to March 31, 2025***

On April 22, 2025, the Company entered into a USD $10M Revolving credit facility with a related party of the Company. The facility is payable upon demand and bears interest at prime +5% per annum on any drawn amounts.

## 4. ACCOUNTS RECEIVABLE

Following is the aging of the Company's account receivable as of March 31, 2025, and December 31, 2024:

| | Total<br>$ | Neither past due nor impaired<br>$ | < 90 days<br>$ | 91 - 180 days<br>$ | >180 days<br>$ |
|---|---|---|---|---|---|
| **March 31, 2025** | 5,598,394 | 3,866,759 | 1,363,219 | 368,416 | - |
| **December 31, 2024** | 10,254,649 | 9,563,984 | 537,681 | 152,984 | - |

As of March 31, 2025, and December 31, 2024, accounts receivable were comprised of amounts from credit card processors for sales online sales and amounts due from retailers. The majority of the balances as of March 31, 2025, and December 31, 2024, were collected subsequent to March 31, 2025, and December 31, 2024, respectively.

(Expressed in United States Dollars)

## 5. OTHER RECEIVABLE

On December 31, 2024, the Company entered into an agreement to sell all assets of Redemption Group LLC (“RG”), a wholly-owned subsidiary, to a related party for total consideration of $200,000 (the “RG Proceeds”). The RG Proceeds are payable in three installments under the following terms (the “RG Terms”):

- $100,000 payable on December 31, 2024 (received);
- $50,000 payable on December 31, 2025; and
- $50,000 payable on December 31, 2026.

The Company has discounted the RG Proceeds using a discount rate of 15%, recognizing a fair value of $181,285 as an other receivable as of December 31, 2024. The receivable is subsequently accreted over the RG Terms using the effective interest method.

During the three-month period ended March 31, 2025, the Company received $100,000 and recognized accretion of interest on other receivables of $2,851, which has been classified as other income in the consolidated statement of loss and comprehensive loss (March 31, 2024 – $nil).

As of March 31, 2025, the carrying amount of the RG Proceeds was $84,136 (December 31, 2024 – $181,285).

## 6. PREPAID EXPENSES AND OTHERS

| | March 31, 2025<br>$ | December 31, 2024<br>$ |
|---|---|---|
| Prepayment to suppliers | 124,457 | 278,887 |
| Others | 219,326 | 119,889 |
| | **343,783** | **398,776** |

## 7. INVENTORY

| | March 31, 2025<br>$ | December 31, 2024<br>$ |
|---|---|---|
| Raw materials | 2,384,651 | 1,276,220 |
| Finished goods | 6,419,371 | 2,566,073 |
| | **8,804,022** | **3,842,293** |

Cost of goods sold is comprised of the cost of inventory sold and any adjustments to reduce the inventory to net realizable value.

## 8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | March 31, 2025<br>$ | December 31, 2024<br>$ |
|---|---|---|
| Accounts payable | 6,593,628 | 10,379,725 |
| Direct deposit payable and credit card | 19,342 | 4,270 |
| Sales tax payable | 85,763 | 51,998 |
| | **6,698,733** | **10,435,993** |

(Expressed in United States Dollars)

## 9. WARRANT LIABILITIES

A reconciliation of the change in fair value of the warrant derivative is as follows:

| | March 31, 2025 | | March 31, 2024 | |
|---|---|---|---|---|
| | Number outstanding | Fair value of warrant derivative ($) | Number outstanding | Fair value of warrant derivative ($) |
| **As of December 31, 2024** | 13,876,732 | 6,399,511 | 14,000,000 | 347,456 |
| Exercised | (8,255,308) | (3,615,868) | - | - |
| Change in fair value | | (840,223) | - | 333,336 |
| **As of March 31, 2025** | **5,621,424** | **1,943,421** | **14,000,000** | **680,792** |

Under IFRS 9 Financial Instruments and IAS 32 Financial Instruments: Presentation, warrants with an exercise price denominated in a currency that differs from an entity's functional currency are treated as a derivative measured at fair value with subsequent changes in fair value accounted for through profit and loss. As these warrants are exercised, the fair value at the date of exercise and the associated non-cash liability will be included in the share capital along with the proceeds from the exercise. If these warrants expire, the non-cash warrant liability is reversed through the profit and loss. There is no cash flow impact as a result of the accounting treatment for changes in the fair value of the warrant derivative or when warrants expire unexercised.

***<u>During the three month ended March 31, 2025</u>***

- 8,255,308 warrants were exercised for proceeds of $2,586,909 (CA$3,714,889). Upon exercise, the Company remeasured the fair value of the warrant liability at $3,615,867 using the Black-Scholes option pricing model, based on the following weighted average assumptions at the exercise date. The fair value was then reclassified from warrant liabilities to share capital.

| | |
|---|---|
| Number of warrants exercised | 8,255,308 |
| Risk-free interest rate | 3.00% |
| Expected annual volatility | 55% |
| Expected life (in years) | 0.06 |
| Expected dividend yield | - |
| Share price at grant date (CA$) | CA$1.08 |
| Exchange rate (CA$ to US$) | 0.70 |

As of March 31, 2025, the Company remeasured the fair value of the remaining 5,621,424 warrants (March 31, 2024 – 14,000,000), resulting in a valuation of $1,943,423 (March 31, 2024 – $680,792). The remeasurement was conducted using the Black-Scholes option pricing model, based on the following weighted average assumptions. As a result of this revaluation, the Company recognized a gain on the remeasurement of the warrant liability amounting to $840,223 (March 31, 2024 – a loss of $333,336) in the consolidated statements of loss and comprehensive loss for the three months ended March 31, 2025.

(Expressed in United States Dollars)

## 9. WARRANT LIABILITIES (CONTINUED)

| | For the three months ended | |
|---|---|---|
| | March 31, 2025 | March 31, 2024 |
| Number of warrants | 5,621,424 | 14,000,000 |
| Risk-free interest rate | 2.47% | 4.20% |
| Expected annual volatility | 68% | 75% |
| Expected life (in years) | 1.10 | 0.90 |
| Expected dividend yield | - | - |
| Share price at grant date (CA$) | CA$0.90 | CA$0.34 |
| Exchange rate (CA$ to US$) | 0.70 | 0.74 |

The following summarizes information about warrant derivative outstanding as of March 31, 2025:

| Expiry date | Exercise price (CA$) | Warrants outstanding | Fair Value of Warrant Derivative ($) | Weighted average remaining contractual life (in years) |
|---|---|---|---|---|
| May 9, 2026 | 0.45 | 5,621,424 | 1,943,423 | 1.11 |

## 10. PROMISSORY NOTES

| | $ |
|---|---|
| **As of December 31, 2024** | 3,408,227 |
| Interest | 117,825 |
| Repayment | (977,677) |
| Interest payable transferred to accounts payable and accrued liabilities | (60,360) |
| Effect of movements on exchange rates | 3,389 |
| **As of March 31, 2025** | **2,491,404** |
| | |
| Current | 2,244,082 |
| Long-term | 247,321 |
| **As of March 31, 2025** | **2,491,403** |

During the three months ended March 31, 2025, no additional transactions were incurred, except for the one disclosed in the table above.

***<u>During the three months ended March 31, 2024</u>***

- During the fiscal year ending December 31, 2023, the Company entered into two separate loan agreements, with a combined principal amount of $1,700,000. Of this total, $250,000 was received during the three months ending March 31, 2024. The interest rate on these loans is 15% per annum.

  During the three months ended March 31, 2024, the Company decided to consolidate the two loan agreements into a single comprehensive agreement. As a result of this amendment, the Company recognized a gain of $26,026 related to the modification of promissory notes.

## 10. PROMISSORY NOTES (CONTINUED)

***<u>During the three months ended March 31, 2024 (continued)</u>***

Under the amended agreement, the Company is obligated to make monthly interest payments.

The remaining principal balance of $1,144,128 will be repaid as follows:

- $100,000 payable in May 2025.
- $100,000 payable each month from August 2025 to April 2026, for a total of $900,000
- The remaining balance of $144,128 will be paid in May 2026.

## 11. SHARE CAPITAL

**<u>Authorized share capital</u>**
Unlimited number of series 1 preferred shares without par value.
Unlimited number of common shares without par value.

**<u>Issued share capital</u>**
As of March 31, 2025, the Company had 107,180,253 common shares (December 31, 2024 – 97,750,165) common shares issued and outstanding.

***<u>During the three months ended March 31, 2025</u>***

- As discussed in Note 9, 8,255,308 warrants, which were initially classified as warrant liabilities, were exercised for proceeds of $2,586,909 (CA$3,714,889). In addition, the Company reclassified the grant date fair value of the exercised warrants of $3,615,867 from warrant liabilities to share capital.

- 1,025,800 warrants, which were initially classified as equity instruments, were exercised for proceeds of $312,671 (CA$448,910). In addition, the Company reclassified the grant date fair value of the exercised stock options of $181,357 from warrant reserve to share capital.

- 125,000 stock options were exercised for proceeds of $23,415 (CA$33,750). In addition, the Company reclassified the grant date fair value of the exercised stock options of $17,939 from stock options reserve to share capital.

- The Company issued 23,980 common shares with a fair value of $18,297 pursuant to the Earnout Agreement (Note 16). This amount was recognized as share-based payments in the statements of loss and comprehensive loss.

***<u>During the three months ended March 31, 2024</u>***

- The Company issued 71,829 common shares with a fair value of $21,692 pursuant to the Earnout Agreement (Note 16). This amount was recognized as share-based payments in the statements of loss and comprehensive loss.

- The Company issued 508,584 common shares with a fair value of $143,240 for the restricted share unit.

***<u>Subsequent to March 31, 2025</u>***

- 71,666 stock options were exercised for proceeds of CA$25,400.
- 67,500 shares were issued for vested RSUs

(Expressed in United States Dollars)

## 11. SHARE CAPITAL (CONTINUED)

### Equity Warrants

The changes in warrants during the three months ended March 31, 2025, and 2024, are as follows:

| | March 31, 2025 | | March 31, 2024 | |
|---|---|---|---|---|
| | **Number outstanding** | **Weighted average exercise price (CA$)** | **Number outstanding** | **Weighted average exercise price (CA$)** |
| **As of December 31, 2024** | 1,148,350 | 0.45 | 2,297,600 | 0.32 |
| Exercised | (1,025,800) | 0.44 | - | - |
| **As of March 31, 2025** | **122,550** | **0.55** | **2,297,600** | **0.32** |

During the three months ended March 31, 2025, and 2024, no additional equity warrants were issued, exercised, or cancelled, apart from the ones discussed earlier.

The following summarizes information about warrants outstanding as of March 31, 2025:

| **Expiry date** | **Exercise price (CA$)** | **Warrants outstanding** | **Estimated grant date fair value ($)** | **Weighted average remaining contractual life (in years)** |
|---|---|---|---|---|
| October 29, 2025 | 0.51 | 122,550 | 18,330 | 0.58 |

### Equity Incentive Plan (the "Incentive Plan")

To provide a share-related mechanism to attract, retain and motivate qualified directors, employees and consultants of the Company and its subsidiaries, the Company implemented an Incentive Plan which includes stock options, Restricted Share Units ("RSU") and Deferred Share Units (the "DSU"). The Incentive Plan is administered by the Board of Directors, which sets the terms of incentive awards under the Incentive Plan. The maximum number of common shares available for issuance under the Incentive Plan is limited to 10% of the Company's outstanding common shares at any one time.

Under the Incentive Plan, an option's maximum term is ten years from the grant date. Under the stock option plan, the Board has the option of determining vesting periods. Grants of RSUs and DSUs vest as to one-third on each of the first, second and third anniversaries of the date of grant, unless otherwise set by the Board or plan administrator.

The Incentive Plan was approved at the annual general and special meeting held on May 24, 2024.

(Expressed in United States Dollars)

## 11. SHARE CAPITAL (CONTINUED)

### Equity Incentive Plan (the "Incentive Plan") (continued)

- **Stock options**

The changes in stock options during the three months ended March 31, 2025, and 2024, are as follows:

| | March 31, 2025 | | March 31, 2024 | |
|---|---|---|---|---|
| | **Number outstanding** | **Weighted average exercise price (CA$)** | **Number outstanding** | **Weighted average exercise price (CA$)** |
| **As of December 31, 2024** | 5,512,500 | 0.55 | 1,272,000 | 1.58 |
| Granted | 280,000 | 0.97 | - | - |
| Exercised | (125,000) | 0.27 | - | - |
| **As of March 31, 2025** | **5,667,500** | **0.58** | **1,272,000** | **1.58** |

During the three months ended March 31, 2025, the Company granted 280,000 options to its employees, with an exercise price of CA$0.97 per share. The options are exercisable for a period of five years, with one-third vesting on each anniversary of the grant date.

During the three months ended March 31, 2024, no options were granted, exercised or cancelled.

The estimated grant date fair value of the options granted during the three months ended March 31, 2025 was calculated using the Black-Scholes option pricing model with the following assumptions:

| | |
|---|---|
| Number of options granted | 280,000 |
| Risk-free interest rate | 2.49% |
| Expected annual volatility | 116% |
| Expected life (in years) | 5 |
| Expected dividend yield | - |
| Grant date fair value per option (CA$) | 0.78 |
| Share price at grant date (CA$) | 0.96 |

During the three months ended March 31, 2025, the Company recognized share-based payments expense of $238,224 (March 31, 2024 – $40,904) arising from the stock options.

(Expressed in United States Dollars)

## 11. SHARE CAPITAL (CONTINUED)

### Equity Incentive Plan (the "Incentive Plan") (continued)

- **Stock options**

The following summarizes information about options outstanding as of March 31, 2025:

| Expiry date | Exercise price (CA$) | Options outstanding | Options exercisable | Estimated grant date fair value ($) | Weighted average remaining contractual life (in years) |
|---|---|---|---|---|---|
| July 26, 2026 | 5.70 | 84,500 | 84,500 | 270,453 | 1.32 |
| February 23, 2027 | 5.70 | 15,000 | 15,000 | 39,255 | 1.90 |
| August 4, 2027 | 0.39 | 98,000 | 65,337 | 24,933 | 2.35 |
| January 23, 2028 | 0.27 | 190,000 | 126,668 | 27,266 | 2.82 |
| May 10, 2029 | 0.40 | 3,510,000 | - | 765,704 | 4.11 |
| June 12, 2029 | 0.71 | 200,000 | - | 78,360 | 4.20 |
| October 24, 2029 | 0.62 | 290,000 | - | 100,336 | 4.57 |
| November 15, 2029 | 0.63 | 1,000,000 | - | 381,022 | 4.63 |
| March 2, 2030 | 0.97 | 30,000 | - | 16,452 | 4.92 |
| March 3, 2030 | 0.97 | 250,000 | - | 135,697 | 4.93 |
| | | **5,667,500** | **291,505** | **1,839,478** | **4.15** |
| **Weighted average exercise price (CA$)** | | **0.57** | **2.15** | | |

***Subsequent to March 31, 2025***

- 71,666 stock options were exercised for proceeds of CA$25,400.
- 150,000 stock options expired unexercised.

- **Restricted Share Unit ("RSU")**

The Incentive Plan permits the Company to either redeem RSUs for cash, issue common shares of the Company from treasury, or purchase common shares of the Company on the open market, to satisfy all or any portion of a vested RSU award.

During the three months ended March 31, 2025, the Company granted 149,381 RSUs with a fair value of $114,214 to certain directors and consultants. All RSUs will fully vest one year from the grant date.

During the three months ended March 31, 2024, 1,311,112 RSUs forfeited.

During the three months ended March 31, 2025, the Company recognized share-based payments of $188,629 (March 31, 2024 – recovery of $436,724) arising from the RSUs.

As of March 31, 2025, the Company had 2,834,789 RSUs (December 31, 2024 – 2,685,408) issued and outstanding.

Subsequent to March 31, 2025, 298,392 RSUs were cancelled, and 67,500 shares were issued for vested RSUs

(Expressed in United States Dollars)

## 11. SHARE CAPITAL (CONTINUED)

### Equity Incentive Plan (the "Incentive Plan") (continued)

- **Deferred Share Unit ("DSU")**

  The Incentive Plan permits the Company to either redeem DSUs for cash or issue common shares of the Company from treasury, to satisfy all or any portion of a vested DSU award.

  No DSUs were granted during the three months ended March 31, 2025, and 2024.

  As of March 31, 2025, and December 31, 2024, no DSUs were issued or outstanding.

### Non-controlling interest ("NCI")

The Company includes No B.S. Skincare as its sole subsidiary with NCI. The ownership interest held by the NCI as of March 31, 2025, and December 31, 2024, is 35%.

The following schedule shows the effects of the changes in NCI during the three months ended March 31, 2025:

| | $ |
|---|---|
| **As of December 31, 2024** | (370,044) |
| Share of income | (26,661) |
| **As of March 31, 2025** | **(396,705)** |

No dividends were paid to the NCI during the three months ended March 31, 2025, and 2024

### Earnings (loss) per share

Basic earnings (loss) per share ("EPS") is calculated by dividing the net income (loss) attributable to the common shareholders of the Company by the weighted average number of the common shares issued and outstanding during the period.

Diluted EPS is calculated by dividing the net income (loss) attributable to the common shareholders of the Company by the weighted average number of common shares outstanding during the period plus the weighted average number of common shares that would be issued on conversion of all the dilutive potential common shares into common shares.

## 12. REVENUE

| | For the there months ended | |
|---|---|---|
| | **March 31, 2025** | **March 31, 2024** |
| | $ | $ |
| **Gross revenue** | **13,882,594** | **16,634,401** |
| Less: Vendor discount | (3,720,636) | (2,965,088) |
| **Net revenue** | **10,161,958** | **13,669,313** |

The Company, through its subsidiaries, No B.S. Skincare and Tru Brands, engaged in marketing programs with its vendors. Discounts and specific promotional expenditures related to this program were recognized as a reduction of revenue in accordance with IFRS 15, 'Revenue from Contracts with Customers'."

(Expressed in United States Dollars)

## 13. FINANCE COSTS

| | For the three months ended | |
|---|---|---|
| | **March 31, 2025** | **March 31, 2024** |
| | **$** | **$** |
| Accretion of interest of convertible notes | - | 57,382 |
| Accretion of interest of promissory notes | 117,825 | 76,273 |
| Interest on the revolving credit facilities | - | 193,519 |
| Others | 22,358 | 4,838 |
| | **140,183** | **332,012** |

## 14. SUPPLEMENTAL CASH FLOW INFORMATION

| | | For the three months ended | |
|---|---|---|---|
| | | **March 31, 2025** | **March 31, 2024** |
| | | **$** | **$** |
| Interest payable transferred to accounts payable and accrued liabilities | 10, 11 | 60,360 | 15,694 |
| Reclassification of grant-date fair value on exercise of stock options | 11 | 17,939 | - |
| Reclassification of grant-date fair value on exercise of warrants | 9, 11 | 3,797,224 | - |
| Shares issued for restricted share units | 11 | - | 143,240 |
| Cash paid for income taxes | | - | - |
| Cash paid for interest | | 82,841 | 466,252 |

## 15. RELATED PARTIES

Key management personnel include those persons having the authority and responsibility of planning, directing, and executing the activities of the Company. The Company has determined that its key management personnel consist of the Company's officers and directors.

During the three months ended March 31, 2025, and 2024, the key management compensation was:

| | For the three months ended | |
|---|---|---|
| | **March 31, 2025** | **March 31, 2024** |
| | **$** | **$** |
| Salaries and benefits | 256,956 | 167,717 |
| Share-based payments | 296,419 | (438,936) |
| | **553,375** | **(271,219)** |

## 15. RELATED PARTIES (CONTINUED)

In addition to the compensation above, the Company granted 49,381 RSUs with a fair value of $38,814 to certain directors during the three months ended March 31, 2025. All RSUs will fully vest one year from the grant date

No options and RSUs were granted to the Company's officers and directors during the three months ended March 31, 2024.

In addition, the Company made a principal payment of $697,107 (CA$1,000,000) to fully settle a promissory note issued to one of its directors during the year ended December 31, 2024.

As of March 31, 2025 and December 31, 2024, the balances due to the Company's directors and officer are as follows:

| | March 31, 2025<br>$ | December 31, 2024<br>$ |
|---|---|---|
| Accounts payables and accrued liabilities* | 436,250 | 806,992 |
| Promissory notes (Note 10) ** | 765,164 | 1,459,448 |
| | **1,201,414** | **2,266,440** |

* These amounts are unsecured, non-interest bearing, and payable on demand.
** The balance as of March 31, 2025 is denominated in Canadian dollars of CA$1,100,000 (December 31, 2024 – CA$2,100,000).

## 16. COMMITMENTS

On January 25, 2023, the Company entered into a Branding Earnout Agreement (the "Earnout Agreement") with a group of individual rights holders each of whom are at arm's length to the Company, to advance "Vibez", a new brand of Keto products in the direct-to-consumer market in the United States (the "Brand"). Pursuant to the Earnout Agreement, the Company has partnered with industry experts to advance the Brand.

Under the terms of the Earnout Agreement, the Company will make an initial payment of $186,790 (CA$250,000) in common shares of the Company, at a price per share CA$0.32. The Company may also make 12 bi-monthly earnout payments in the amount of $140,093 (CA$187,500), if the Brand achieves certain sales targets set out in the Earnout Agreement (the "Earnout Payments"). Sales in the Earnout Agreement related to the milestone payments over 24 months total $14.98 million (approximately CA$20 million). The Earnout Payments are payable in cash or common shares, at a price per common share equal to the higher of (i) the five-day VWAP of the common shares on the TSXV, or (ii) CA$0.32. The Company may issue up to a maximum of $2,250,000 in cash or common shares, at the Company's discretion, over a 2-year period pursuant to the Earnout Payments.

During the three months ended March 31, 2025, the Company issued 23,980 common shares as Earnout Payments (March 31, 2024 – 21,692 common shares) (Note 11).

As of March 31, 2025, all commitments under the Earnout Agreement have been fulfilled, and the Company no longer has any outstanding obligations under the agreement.

## 17. CONTINGENCIES

### Litigation

In the normal course of business, the Company may be involved in legal proceedings, claims, and assessments arising from the ordinary course of business. Such matters are subject to many uncertainties, and outcomes are not predictable with assurance. After consulting legal counsel, the Company does not believe any adverse judgments will have a material effect on the operations of the Company.

(Expressed in United States Dollars)

## 18. SEGMENTED INFORMATION

The Company operates in one reportable segment being the sale of consumer health and wellness products. Over 95% of the Company's sales are principally generated from the United States and all the Company's non-current assets are located in United States.

The breakdown of net sales by products during the Quarter ended March 31, 2025 and 2024 was as follows:

| | March 31, 2025 ($) | March 31, 2024 ($) |
|---|---|---|
| Protein Bar | 9,906,631 | 12,981,568 |
| Wholesale club | 5,382,928 | 12,224,812 |
| Retail* | 1,550,556 | 327,684 |
| DTC ** | 2,973,147 | 429,072 |
| | | |
| Beauty products | 255,327 | 687,745 |
| | **10,161,958** | **13,669,313** |

*Retail includes Mass Merchandisers, convenience, grocery and drug stores
** DTC (Direct-to-consumer) and Ecommerce

During the three months ended March 31, 2025 and 2024, three and two vendors represented more than 75% of the Company's inventory purchases, respectively.

During the three months ended March 31, 2025, there was one customer which made up more than 10% of sales (March 31, 2024 – one customer). Other than that, no other customers made up more than 10% of sales during the three months ended March 31, 2025 and 2024.

## 19. CAPITAL MANAGEMENT

The Company's objective when managing capital is to maintain adequate levels of funding to safeguard the Company's ability to continue as a going concern, fund its planned activities and commitments and retain financial flexibility to respond to unforeseen future events and circumstances. The Company manages and adjusts its capital structure based on the level of funds on hand and anticipated future expenditures. To maintain or adjust its capital structure, the Company may issue new equity instruments, new debt, or acquire and/or dispose of assets.

The Company defines capital as being the total of shareholders' equity, loans and borrowings.

Management reviews its capital management approach on an ongoing basis. There were no changes in the Company's approach to capital management during the three months ended March 31, 2025. The Company is subject to externally imposed capital requirements in connection with the TBS Overdraft Facility as detailed in Note 3. As of March 31, 2025, the Company was in compliance with these financial covenants.

(Expressed in United States Dollars)

## 20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

**Fair value**

The fair values of financial assets and liabilities, together with their carrying amounts, are presented by class in the following table:

| | March 31, 2025<br>$ | FVTPL<br>$ | Amortized costs<br>$ | FVTOCI<br>$ |
|---|---|---|---|---|
| **FINANCIAL ASSETS** | | | | |
| **ASSETS** | | | | |
| Cash | 1,648,328 | - | 1,648,328 | - |
| Accounts receivable | 5,598,394 | - | 5,598,394 | - |
| Other receivable | 118,235 | - | 118,235 | - |
| **FINANCIAL LIABILITIES** | | | | |
| **LIABILITIES** | | | | |
| Bank overdraft | (2,227,422) | - | (2,227,422) | - |
| Accounts payable and accrued liabilities | (6,698,733) | - | (6,698,733) | - |
| Current portion of promissory note | (2,244,082) | - | (2,244,082) | - |
| Warrant liabilities | (1,943,421) | (1,943,421) | - | - |
| Promissory note | (247,321) | - | (247,321) | - |

| | December 31, 2024<br>$ | FVTPL<br>$ | Amortized costs<br>$ | FVTOCI<br>$ |
|---|---|---|---|---|
| **FINANCIAL ASSETS** | | | | |
| **ASSETS** | | | | |
| Cash | 7,063,073 | - | 7,063,073 | - |
| Accounts receivable | 10,254,649 | - | 10,254,649 | - |
| Other receivable | 233,481 | - | 233,481 | - |
| **FINANCIAL LIABILITIES** | | | | |
| **LIABILITIES** | | | | |
| Bank overdraft | (4,102,551) | - | (4,102,551) | - |
| Accounts payable and accrued liabilities | (10,435,993) | - | (10,435,993) | - |
| Current portion of promissory note | (3,075,173) | - | (3,075,173) | - |
| Warrant liabilities | (6,399,511) | (6,399,511) | - | - |
| Promissory note | (333,054) | - | (333,054) | - |

There are three levels of the fair value hierarchy that prioritize the inputs to valuation techniques used to measure fair value, with Level 1 inputs having the highest priority.

***Level 1*** – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
***Level 2*** – Quoted prices in markets that are not active, quoted prices for similar assets or liabilities in active markets, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability.
***Level 3*** – Unobservable (supported by little or no market activity) prices.

The Company has determined the estimated fair values of its financial instruments based upon appropriate valuation methodologies.

## 20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

### Fair value (continued)

The levels of the fair value inputs used in determining estimated fair value of the Company's financial assets and liabilities at fair value through profit or loss as of March 31, 2025, and December 31, 2024, are shown below:

| | | Estimated fair value | | |
|---|---|---|---|---|
| | **March 31, 2025** | **Level 1 $** | **Level 2 $** | **Level 3 $** |
| Warrant liabilities | (1,943,421) | - | - | (1,943,421) |

| | | Estimated fair value | | |
|---|---|---|---|---|
| | **December 31, 2024** | **Level 1 $** | **Level 2 $** | **Level 3 $** |
| Warrant liabilities | (6,399,511) | - | - | (6,399,511) |

The financial instrument recorded at fair value on the statement of financial position is warrant liabilities which are measured using Level 3 of the fair value hierarchy. Level 3 inputs for other derivative liability include the use of the Black-Scholes option pricing model. Estimates are made regarding (i) the discount rate used, (ii) the expected life of the instruments, (iii) the volatility of the Company's common shares price which are driven by historical information and the expected dividend yield. Refer to Note 9 for further disclosures.

As of March 31, 2025, and December 31, 2024, there were no financial assets or liabilities measured and recognized in the statement of financial position at fair value that would be categorized as Level 1 and Level 2 in the fair value hierarchy above.

### Financial risk management

The Company's activities expose the Company to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company examines the various financial risks to which it is exposed and assesses the impact and likelihood of being affected by these risks. The Company uses different methods to measure the different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and aging analysis for credit risk. When material, these risks are also reviewed and monitored by the Board of Directors.

### Market risk

- Foreign currency risk

  The Company is exposed to currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in US$. The Company has not entered any foreign currency contracts to mitigate this risk. The risk is measured using sensitivity analysis and cash flow forecasting.

  The Company's cash, accounts receivable, other receivables, bank overdrafts, accounts payable, accrued liabilities, and promissory notes are held in Canadian dollars (CA$) and United States dollars (US$); therefore, CA$ accounts are subject to fluctuation against the US$.

(Expressed in United States Dollars)

## 20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

### Financial risk management (continued)

### Market risk (continued)

- Foreign currency risk (continued)

The Company's non-derivative financial instruments were denominated as follows as of December 31, 2024:

| | US$ | CA$ |
|---|---|---|
| Cash | 1,132,822 | 741,091 |
| Accounts receivable | 4,084,719 | 2,176,049 |
| Other receivable | 460 | 169,313 |
| Bank overdraft | (27,469) | (3,162,653) |
| Accounts payable and accrued liabilities | (6,222,760) | (684,258) |
| Current portion of promissory note | (852,875) | (2,000,000) |
| Promissory note | (247,321) | - |
| | **(2,132,424)** | **(2,760,458)** |
| Rate to convert to $1.00 US$ | 1.00000 | 0.69560 |
| **Equivalent to US$** | **(2,132,424)** | **(1,920,185)** |

Based on the above net exposures as of March 31, 2025, and assuming that all other variables remain constant, a 10% change of the CA$ against the US$ would change profit or loss by approximately $200,000.

- Price risk

The Company's derivative liability may be exposed to the price risk as the share price of the Company is one of the inputs of valuation. Based on the sensitivity analysis, assuming that all other variables remain constant, a 10% increase (decrease) in the share price of the Company as March 31, 2025, would provide insignificant impacts on the fair value of the derivative liability.

- Interest rate risk

The Company's derivative liability may be exposed to the interest as the risk-free interest rate is one of the inputs of valuation. Based on the sensitivity analysis, if all other variables remain constant, a 1% increase (decrease) in the risk-free interest rate would provide insignificant impacts on the fair value of the derivative liability.

### Credit risk

Credit risk is the risk of loss associated with a customer's or counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and accounts receivable. Cash is held with reputable United States and Canada financial institutions, from which management believes the risk of loss is remote. The Company's maximum credit risk exposure is equivalent to the carrying value of these instruments. The Company has, and intends, to adhere strictly to the state statutes and regulations in its operations.

The Company's extension of credit to customers involves judgment and is based on an evaluation of each customer's financial condition and payment history. The Company's credit controls and processes cannot eliminate credit risk. As of March 31, 2025, the Company's credit risk is low as the Company has collected the majority of the accounts receivable subsequently.

(Expressed in United States Dollars)

## 20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)

### Financial risk management (continued)

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due. As of March 31, 2025, the Company had cash of $1,648,328 to meet short-term business requirements. As of March 31, 2025, the Company had non-derivative current liabilities of $11,170,237.

The following are the remaining contractual maturities of non-derivative financial instruments at the reporting date. The amounts are gross and undiscounted and include contractual interest payments.

| | March 31, 2025<br>$ | Less than 1 year<br>$ | 1 to 2 years<br>$ | 3 to 5 years<br>$ | More than 5 years<br>$ |
|---|---|---|---|---|---|
| **Non-derivative liability** | | | | | |
| Bank overdraft | 2,227,422 | 2,227,422 | - | - | - |
| Accounts payable and accrued liabilities | 6,698,733 | 6,698,733 | - | - | - |
| Promissory note | 2,527,515 | 1,961,877 | 565,638 | - | - |
| | **11,453,670** | **10,888,032** | **565,638** | **-** | **-** |

## 21. DISPOSITION OF SUBSIDIARY

The following table presents the breakdown of the loss from discontinued operations and cash flow used by discontinued operation related to disposal groups, in accordance with IFRS 5, “Non-current Assets Held for Sale and Discontinued Operations”, for the three months ended March 31, 2024.

| | Purekana, LLC ("PureKana")*<br>$ | Hervé Edibles Limited (“Hervé”)^<br>$ | Redemption Group LLC (“RG”)~<br>$ | Total<br>$ |
|---|---|---|---|---|
| **Revenue** | **7,962,292** | **-** | **326,596** | **8,288,888** |
| **Cost of goods sold** | **(1,969,027)** | **-** | **(93,794)** | **(2,062,821)** |
| **Gross profit** | **5,993,265** | **-** | **232,802** | **6,226,067** |
| **Expenses** | | | | |
| Customer service support | 814,018 | - | 2,303 | **816,321** |
| Depreciation | - | - | 914 | **914** |
| General and administrative expenses | 154,646 | 2,673 | 71,753 | **229,072** |
| Marketing expenses | 5,152,539 | - | 44,357 | **5,196,896** |
| Professional fees | 145,803 | 1,174 | 12,639 | **159,616** |
| Salaries and wages | 281,878 | - | 51,833 | **333,711** |
| Travel and entertainment | 1,297 | 294 | - | **1,591** |
| **Total expenses** | **6,550,181** | **4,141** | **183,799** | **6,738,121** |
| **Loss before other (expenses) Income** | **(556,916)** | **(4,141)** | **49,003** | **(512,054)** |
| **Other income (expenses)** | | | | |
| Finance costs | (228,725) | - | - | **(228,725)** |
| Foreign exchange gain (loss) | - | - | (298) | **(298)** |
| **Total other income (expenses)** | **(228,725)** | **-** | **(298)** | **(229,023)** |
| **Loss from discontinued operations** | **(785,641)** | **(4,141)** | **48,705** | **(741,077)** |

(Expressed in United States Dollars)

## 21. DISPOSITION OF SUBSIDIARY (CONTINUED)

| | PureKana<br>$ | Hervé<br>$ | RG<br>$ | Total<br>$ |
|---|---|---|---|---|
| **Cash flow from (used in)** | | | | |
| **OPERATING ACTIVITIES** | | | | |
| **Net loss from continuing operations** | (785,640) | (4,142) | 48,705 | **(741,077)** |
| Accretion of interest of loan payable | 228,725 | - | - | **228,725** |
| Depreciation | - | - | 914 | **914** |
| **Net changes in non-cash working capital items:** | - | - | - | |
| Restricted cash | 325,000 | - | - | **325,000** |
| Accounts receivable | 18,094 | - | 3,489 | **21,583** |
| Other receivable | 7,871 | - | - | **7,871** |
| Prepaid expenses | 539,910 | 430 | 1,347 | **541,687** |
| Inventory | 10,855 | - | (27,403) | **(16,548)** |
| Accounts payable and accrued liabilities | (11,790) | - | (21,042) | **(32,832)** |
| Deferred revenue | (580,716) | - | (4,735) | **(585,451)** |
| **Cash flow used by discontinued operation** | (247,691) | (3,712) | 1,275 | **(250,128)** |

** On April 3, 2024, PureKana filed for bankruptcy under Chapter 7 of the United States Bankruptcy Code. Consequently, the Company derecognized the carrying value of the related assets and liabilities associated with PureKana.*

*^ Hervé, along with its wholly owned subsidiaries—Delysees Luxury Desserts (“Delysees”) and The French Dessert Company (“TFDC”)—was voluntarily dissolved on July 26, 2024. As a result, the Company derecognized the carrying value of the associated assets and liabilities.*

*~ RG’s assets were sold to a related party on December 31, 2024.*