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Avant Brands Reports Q1 2026 Results Highlighted by 37% Growth in Recreational Revenue

KELOWNA, BC / [ACCESS Newswire](#) / April 14, 2026 / Avant Brands Inc. (TSX:AVNT)(OTCQX:AVTBF)(FRA:1BU) ("Avant" or the "Company"), a leading producer of innovative and award-winning cannabis products, today released its financial results for the first quarter ended February 28, 2026 ("Q1 2026").

With an expanding global footprint, Avant has established itself as a leading Canadian producer of ultra-premium cannabis, delivering brands at a commercial volume that continues to be outpaced by market demand.

Norton Singhavon, Founder & CEO of Avant Brands commented:

"Our first quarter results highlight the exceptional strength of our core brands, driven by a 37% increase in recreational sales. While our consolidated topline reflects the natural, uneven timing of international bulk shipments, our underlying global demand remains strong. By optimizing our supply chain with a domestic processing partner and scaling our high-velocity SKUs, we are actively setting the stage for sustainable margin expansion and long-term profitability."

Q1 2026 Financial Highlights (vs. Q1 2025):

Revenue:

- Gross revenue: \$8.4 million (-14%)
- Net revenue: \$7.1 million (-18%)
- Recreational revenue: \$3.9 million (+37%)
- Export wholesale revenue: \$1.6 million (-67%)
- Domestic wholesale revenue: \$1.6 million (+74%)

Canadian Recreational Highlights:

Recreational revenue increased by 37%, driven by an improved focus on top-performing, high-velocity SKUs and strong market share performance in Ontario, Canada's largest provincial market. The Company continues to optimize its SKU portfolio and channel mix by identifying market white space and scaling products with strong consumer pull, supporting sustainable, long-term revenue growth. This targeted strategy yielded the following market milestones based on Q1 Ontario Cannabis Store (OCS) sales data:

- **14g Whole Flower Leader in Sales:** Tenzo™ Big Smallz ranked as the #1 best-selling 14-gram whole flower SKU in Ontario by total sales dollars during the quarter, outperforming more than 150 competing SKUs in the category.
- **Pre-Roll Category Leadership:** blk mkt™ secured the #1 position in overall sales within the single unit pre-roll segment above 1-gram.
- **Leading Milled Offerings:** Tenzo™ maintained its momentum in the milled category, securing the position as the #1 best-selling multi-pack milled product with its Fun Trip and Chef's Kiss offerings.

Export Wholesale revenue decreased by 67%, primarily driven by a strategic supply chain optimization for key international clients. To achieve logistical efficiency, these clients transitioned their EU-GMP processing to a Canadian partner. The decline is also due to the timing of export wholesale transactions, which may not occur evenly across reporting periods.

Gross profit: Gross profit decreased to \$0.1 million, compared to a gross profit of \$1.6 million in Q1 2025. The decrease in gross profit was driven by lower net revenue, and a decrease in the unrealized gain on changes in fair value of biological assets as compared to the same period in the prior year.

Adjusted EBITDA¹: Adjusted EBITDA¹ was negative \$0.7 million, compared to positive \$1.7 million in Q1 2025. The decrease was driven by lower net revenue, and higher operating expenses.

1. *Adjusted EBITDA is a non-GAAP performance measure. The information is incorporated by reference from the Q1 2026 MD&A filings under "Cautionary Statement Regarding Certain Non-GAAP Performance Measures". The Company's MD&A is available on SEDAR+ at www.sedarplus.com*

Cannabis Production and Sales:

- **Cannabis Production:** 3,006 KG (-10%). The temporary decrease in production was primarily due to scheduled, strategic downtime at the Company's largest facility (The Flowr Group Okanagan). During this period, Avant implemented a significant capital improvement program, nearing \$2 million in total expenditure. The capital program converted the entire facility to lighting with increased efficiency designed to reduce electrical demand, significantly increase facility capacity per square foot, and further elevate our ultra-premium product quality.
- **Cannabis Sales:** 2,357 KG sold (-30%). The year-over-year decrease is primarily attributable to elevated sales volumes in Q1 2025, driven by the liquidation of aged inventory.

Subsequent Events:

- **Partial extinguishment of Convertible Debenture B:** On March 9, 2026, [the Company entered into a debt settlement agreement](#) with an institutional investor to extinguish \$1.77 million of its amended and restated unsecured convertible debenture B. The partial extinguishment was executed through the issuance of share units at a deemed price of \$0.935 per unit, representing a significant premium to the market price. Executing this transaction at a premium aligns with the Company's strategic objective to optimize its capital structure and demonstrates ongoing institutional support. The transaction is expected to significantly reduce net cash flows used in financing activities and preserve capital to execute on future growth initiatives.
- **Strategic European Realignment:** On March 17, 2026, the Company [announced the strategic realignment](#) of its European operations by issuing a formal termination of its trademark licensing agreement with Adjupharm. Effective May 31, 2026, Avant will reclaim full distribution and trademark rights for its flagship **blk mkt**[™] brand in Germany and Switzerland. As Germany remains the Company's largest international export market, Avant has strategically ensured sufficient supply capacity to support a seamless operational transition while actively vetting new distribution partners to maximize long-term international business.

Fiscal 2026 Outlook:

Following a year of significant financial and operational milestones, Avant is capitalizing on its current momentum to drive further value in Fiscal 2026 ("FY 2026"):

- **Optimizing International Channels:** Expanding the Company's presence in key European markets, growing international brand licensing partnerships, and introducing exclusive new cultivars into international sales channels;
- **Increasing Cultivation Output:** Driving yield improvements through facility optimization, with tangible results expected in the second half of FY 2026, alongside continued cost reduction initiatives;
- **Driving Margin Expansion:** Targeting improved gross margin through the full realization of FY 2026 facility upgrades, including the recently executed infrastructure and environmental enhancements, which are anticipated to increase yield per square foot and reduce cost per gram;
- **Strategic Acquisitions:** Actively evaluating accretive acquisition opportunities, specifically targeting high-quality cultivation facilities in Canada and European sales and distribution to accelerate production capabilities and expand the Company's international footprint;
- **Accelerating Recreational Momentum:** Focusing on high-velocity, high-margin products to drive growth in the recreational market, which remains the Company's highest-margin sales channel;

- **Cultivation Expansion:** Pursuing non-dilutive financing solutions to fund completion of the Phase One, 20,000 square foot construction, at GreenTec Bio-Pharmaceuticals Inc.;
- **Strengthening the Balance Sheet:** Continuing to reduce debt, including the targeted full retirement of the secured credit facility during the fiscal year, while maintaining scheduled quarterly principal and interest repayments on the convertible debenture B; and
- **Enhancing Shareholder Communication:** Implementing a proactive investor relations strategy to provide more frequent and transparent updates on business developments and operational milestones between quarterly financial reports.

About Avant Brands Inc.

Avant Brands Inc. (TSX:AVNT)(OTCQX:AVTBF)(FRA:1BU) is a leading innovator in premium cannabis products, driven by a commitment to exceptional quality and craftsmanship. As one of Canada's largest indoor producers, the company operates multiple production facilities across the country, cultivating unique and high-quality cannabis strains.

Avant offers a diverse product portfolio catering to recreational, medical, and export markets. Its renowned consumer brands, including blk mkt™, Tenzo™, Cognōscence™, flowr™, and Treehugger™, are available in key recreational markets across Canada. The company's international footprint spans Australia, Israel, and Germany, with its flagship brand blk mkt™ leading the way. Avant also serves qualified medical patients nationwide through its Avant medical cannabis brand, accessible via the Avant Medical portal and trusted partner network.

Avant is a publicly traded company, listed on the Toronto Stock Exchange (TSX) and accessible to international investors through the OTCQX Best Market (OTCQX) and Frankfurt Stock Exchange (FRA). Headquartered in Kelowna, British Columbia, the company operates in strategic locations throughout Canada.

Learn More:

For more information about Avant, including investor presentations and details about its consumer brands, please visit the company website: www.avantbrands.ca

Investor Relations:

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION:

This news release includes certain "forward-looking information" as defined under applicable Canadian securities legislation, encompassing statements regarding Avant Brands Inc.'s ("Avant" or the "Company") plans, intentions, beliefs, and current expectations concerning future business activities and operating performance.

Forward-looking information is often, but not always, identified by the use of words such as "expects," "intends," "anticipates," "believes," "estimates," "plans," "may," "could," "should," "will," or variations of such words and phrases. In particular, this news release includes forward-looking information related to, but not limited to: the Company's expectations for future revenue, sales growth, and margin expansion; the anticipated impact of the approximately \$2.0 million investment in scheduled facility optimizations, infrastructure enhancements, and environmental upgrades on cultivation yields and production costs in the second half of Fiscal 2026; the Company's ability to identify, evaluate, and successfully execute accretive strategic acquisitions of cultivation facilities in Canada or Europe; the Company's ability to secure non-dilutive financing to complete the Phase 1 GreenTec Bio-Pharmaceuticals facility construction; expectations regarding the continued reduction of corporate debt, including the targeted full retirement of the Credit Facility and the completion of scheduled quarterly principal repayments on the unsecured convertible debenture; the implementation of an enhanced investor relations strategy to improve shareholder communication; the successful execution of the Company's strategic realignment of its European operations, including the transition of distribution rights in Germany and Switzerland; the ability to secure more favorable terms in international sales agreements and expand into new export markets, including through brand licensing and new cultivar introductions; and the Company's strategic focus on high-velocity recreational products to drive sustainable profitability.

Forward-looking information also includes statements concerning the Company's ongoing focus on operational efficiencies, profitability, and the anticipated availability of financial statements and management's discussion and analysis ("MD&A") on the Company's SEDAR+ profile and website. Investors should be aware that forward-looking information involves inherent risks,

uncertainties, and other factors that may cause actual results to differ materially from those expressed or implied by such information. Management's current expectations may not accurately predict future events or outcomes. Therefore, investors are cautioned not to place undue reliance on forward-looking information.

Investors are cautioned that forward-looking information is not based on historical fact but instead reflects management's expectations, estimates, or projections concerning future results or events based on the opinions, assumptions, and estimates of management considered reasonable at the date the statements are made. Although the Company believes that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance, or achievements of the Company. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: regulatory and licensing risks; changes in consumer demand and preferences; changes in general economic, business, and political conditions, including changes in the financial markets; the global regulatory landscape and enforcement related to cannabis, including political risks and risks relating to regulatory change; compliance with extensive government regulation; public opinion and perception of the cannabis industry; and the risk factors set out in the Company's annual information form dated March 2, 2026 filed with Canadian securities regulators and available on the Company's profile on SEDAR+ at www.sedarplus.ca.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated, or expected. Although the Company has attempted to identify important risks, uncertainties, and factors that could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated, or intended. Accordingly, readers should not place undue reliance on forward-looking information, which speaks only as of the date of this news release. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events, or otherwise, except as required by law.

SPECIAL NOTE REGARDING FINANCIAL INFORMATION

This document should be read in conjunction with the Company's unaudited consolidated financial statements (the "financial statements") and the Company's MD&A for the three months ended February 28, 2026, and audited consolidated financial statements for the year ended November 30, 2025. All dollar amounts are referenced in millions of Canadian dollars, except where noted otherwise. The Company's financial statements and MD&A for the three months ended February 28, 2026, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Additional information relating to the Company, including its Annual Information Form for the year ended November 30, 2025, is available on SEDAR+ at www.sedarplus.ca. Information on the Company's website does not form part of and is not incorporated by reference in the Company's MD&A.

SPECIAL NOTE REGARDING NON-GAAP AND OTHER FINANCIAL MEASURES

This document includes references to non-GAAP measures, which include non-GAAP and other financial measures as defined in National Instrument 52-112 - Non-GAAP and Other Financial Measures Disclosure. These financial measures are used by the Company to evaluate its financial performance, financial position or 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 Company's 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 document, and reconciliations to the most directly comparable GAAP measure, as applicable, are provided in the "Cautionary Statement Regarding Certain Non-GAAP Performance Measures" section of the Company's MD&A for the three months ended February 28, 2026, dated April 13, 2026.

SOURCE: Avant Brands Inc.