Odd Burger Corporation

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED JUNE 30, 2025, AND JUNE 30, 2024
(In Canadian Dollars)
(unaudited)

MANAGEMENT'S COMMENTS ON UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTICE OF NO AUDITOR REVIEW OF INTERIM CONDENSED CONSOLIDATED 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 consolidated financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor. The accompanying unaudited condensed consolidated interim financial statements of Odd Burger Corporation (the "Company") have been prepared by and are the responsibility of the Company's management. The unaudited condensed consolidated interim financial statements are prepared in accordance with accounting principles generally accepted in Canada (these statements are prepared under International Financial Reporting Standards (IFRS)) and reflect management's best estimates and judgment based on information currently available. 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.

Odd Burger Corporation
Unaudited Condensed Interim Consolidated Statements of Financial Position
As at June 30, 2025 and September 30, 2024
(Expressed in Canadian dollars except for per share amounts)

	Note		(Unaudited) June 30, 2025		September 30, 2024
ASSETS					
Cash		$	58,279	$	61,473
Accounts receivable and other receivables	4		597,152		228,358
Inventory	5		158,948		190,816
Prepaid expenses and deposits	6		141,443		8,675
Lease receivable, current	8		76,335		25,282
Current portion of deferred charges	7		13,578		13,578
Total Current Assets		$	1,045,735	$	528,182
Lease receivable	8	$	1,053,430	$	1,180,559
Note receivable	9		58,419		58,419
Prepaid expenses and deposits	6		83,136		83,136
Deferred charges	7		88,071		98,254
Property and equipment, net	10		894,575		1,102,547
Right-of-use asset, net	11		611,801		747,112
Total Assets		$	3,835,167	$	,3,798,209
LIABILITIES					
Accounts payable and accrued liabilities	12	$	3,180,817	$	3,416,634
Customer deposits	13		267,500		290,000
Current portion of deferred revenue	14		72,600		74,780
Current portion of loans payable	15		592,069		508,539
Current portion of lease liabilities	16		272,702		380,085
Total Current Liabilities		$	4,385,688	$	4,670,038
Deferred revenue	14	$	377,564	$	460,199
Lease liabilities	16		1,887,555		2,068,544
Loans payable	15		56,023		67,267
Total Liabilities		$	6,701,782	$	7,266,048
SHAREHOLDERS' DEFICIT					
Share capital	17	$	14,802,591	$	13,917,257
Contributed surplus	18		2,670,548		2,161,977
Deficit			(20,339,754)		(19,547,073)
Total Shareholders' Deficit		$	(2,866,615)	$	(3,467,839)
Total Liabilities and Shareholders' Deficit		$	3,835,167	$	3,798,209

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

Approved by the Board of Directors:

"James McInnes"
Director (Signed)

"Marc Goodman"
Director (Signed)

Odd Burger Corporation
Unaudited Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
For the three and nine months ended June 30, 2025 and 2024

(Expressed in Canadian dollars except for per share amounts)

		(Unaudited)		(Unaudited)	
		Three months ended		Nine months ended	
	Note	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
REVENUE					
Food sales	23	$ 931,013	$ 805,779	$ 2,202,497	$ 2,275,871
Franchise revenue	23	113,633	73,588	300,780	138,350
TOTAL REVENUE		$ 1,044,646	$ 879,367	$ 2,503,277	$ 2,414,221
Costs of goods sold	24	$ 601,701	$ 473,716	$ 1,543,343	$ 1,465,618
GROSS PROFIT		$ 443,575	$ 405,651	$ 957,934	$ 948,603
OPERATING EXPENSES					
Selling, General and Administrative expenses	24	$ 222,912	$ 114,377	$ 935,552	$ 401,857
Salaries and Wages		126,658	293,022	347,257	876,101
Professional Fees		211,433	42,818	434,462	264,912
Interest expense		86,288	82,772	160,241	273,109
TOTAL OPERATING EXPENSES		$ 647,291	$ 532,989	$ 1,877,512	$ 1,815,979
LOSS FROM OPERATIONS		$ (203,716)	$ (127,338)	$ (919,578)	$ (867,376)
Other Items					
Other income and expenses		$ 14,576	$ (898)	$ 1,946	$ 1,767
Finance income on lease receivables		41,235	34,747	124,951	112,483
Gain (loss) on disposal of property and equipment, net		-	(26,972)	-	(26,972)
NET LOSS AND COMPREHENSIVE LOSS		$ (147,905)	$ (120,461)	$ (792,681)	$ (780,098)
Loss Per Share					
Basic and Diluted		$ (0.00)	$ (0.00)	$ (0.01)	$ (0.01)
Weighted average number of common shares outstanding - Basic and Diluted		98,435,017	92,694,417	96,174,463	92,136,023

Odd Burger Corporation

Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Deficit)

For the six months ended June 30, 2025 and 2024

(Expressed in Canadian dollars except for per share amounts)

	Note	Number of Share	Share Capital	Contributed Surplus	Deficit	Total
Balance September 30, 2023		91,419,417	$ 12,731,204	$ 1,894,815	$(17,419,073)	$ (1,793,054)
Issuances of Private Placement	17	1,275,000	181,256	68,746	-	250,002
Stock based compensation expense	18	-	-	184,408	-	184.408
Net loss and comprehensive loss for the period		-	-	-	(780,098)	(780.098)
Unaudited balance June 30, 2024		**92,694,417**	**$ 13,912,460**	**$ 2,147,969**	**$(18,199,171)**	**$ (2,138,742)**
Balance September 30, 2024		92,694,417	$ 13,917,257	$ 2,161,977	$(19,547,073)	$ (3,467,839)
Issuances of Private Placement	17	5,728,000	882,184	502,829	-	1,385,013
Warrants exercised		12,600	3,150	-	-	3,150
Stock based compensation expense net of reversal	18	-	-	5,742	-	5,742
Net loss and comprehensive loss for the period		-	-	-	(792,681)	(792,681)
Unaudited balance June 30, 2025		**98,435,017**	**$ 14,802,591**	**$ 2,670,548**	**$ (20,339,754)**	**$ (2,866,615)**

Odd Burger Corporation
Unaudited Condensed Interim Consolidated Statements of Cash Flows
For the nine months ended June 30, 2025 and 2024
(Expressed in Canadian dollars except for per share amounts)

		(Unaudited) Nine months ended	
	Note	**June 30, 2025**	**June 30, 2024**
OPERATING ACTIVITIES			
Net loss and comprehensive loss for the year		$ (792,681)	$ (780,098)
Adjustments			
Depreciation expense	10,11	343,283	424,129
Other income and expenses		-	1,767
Loss on disposal of property and equipment, net		-	26,972
Gain on derecognition of right-of-use asset		-	(414,894)
Impairment loss	5	-	1,307
Interest accretion on lease liabilities	16	102,901	220,725
Interest accretion on loans	15	17,693	5,757
Finance income on lease receivables	8	(124,951)	(112,483)
Interest on note receivable	9	-	(2,811)
Share based compensation expense	18	15,835	184,408
Bad debt expense	4,8	16,245	-
		(421,675)	(445,221)
Changes in non-cash working capital	25	(807,692)	(62,841)
Cash flows used in operating activities		$ (1,229,367)	$ (508,062)
INVESTING ACTIVTIES			
Purchase of property and equipment	10	$ -	$ (2,051)
Net proceeds from disposal group	10	-	266,101
Collection of lease receivable		184,782	36,527
Cash provided by investing activities		$ 184,782	$ 300,577
FINANCING ACTIVITIES			
Payments of lease liabilities	16	(391,272)	$ (441,093)
Proceeds from loans payable, net	15	110,000	380,505
Repayment of loans payable	15	(55,407)	(41,461)
Proceeds from issuance of common shares and warrants for cash, net	17	1,378,070	250,022
Cash provided by financing activities		$ 1,041,391	$ 147,973
Decrease in cash		$ (3,194)	$ (59 512)
Cash, beginning of period		61,473	120 505
Cash, end of period		$ 58,279	$ 60 993
Supplemental Disclosure			
Cash paid for interest		$ 115,996	$ 180 225
Cash paid (received) for income taxes		-	-

1. Nature of Operations

Odd Burger Corporation, ("Odd Burger" or the "Company") was incorporated under the Canada Business Corporations Act (British Columbia) on January 20, 2015. On April 13, 2021, the Company completed a transaction with 2204901 Ontario Inc. (operating as Globally Local) ("GL"), a private company continued under the Business Corporations Act (Ontario), which constituted a reverse takeover by GL and changed its name to "Globally Local Technologies Inc.". Because GL is considered to be the acquirer, these consolidated financial statements are a continuation of the financial statements of GL adjusted to reflect the legal capital of the Company. On April 16, 2021, the Company commenced trading on the TSX Venture Exchange ("TSXV") under the symbol "GBLY". Subsequently, on June 16, 2021, Globally Local Technologies Inc. changed its name and rebranded as Odd Burger Corporation. With the subsequent name change, the Company now trades under the symbol "ODD." The Company's registered office is located at 505 Consortium Court, London, ON, N6E 2S8. References herein to "Odd Burger" or the "Company" refer to Odd Burger Corporation and its subsidiaries, unless specifically noted otherwise.

Odd Burger is a plant-based food technology company that manufactures and distributes industry-leading plant-based protein and dairy alternatives using locally sourced and sustainable ingredients. The Company distributes its products through a proprietary food service line to Company-owned and franchised fast-food restaurants. Its locations operate as smart kitchens, which use state-of-the art cooking technology and automation solutions to deliver a delicious food experience to customers craving healthier and more sustainable fast food. The Company operates with small store footprints optimized for delivery and takeout, advanced cooking technology, competitive pricing, and a vertically integrated supply chain.

Basis of measurement and going concern

These unaudited condensed interim consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future. As at June 30, 2025, the Company had an accumulated deficit of $20,339,754. The Company had also incurred negative operating cash flows of $1,229,367 and a net loss in the amount of $792,681 for the nine months ended June 30, 2024. Management is aware, in making its going concern assessment, of recurring losses and on-going negative cash flow that may cast significant doubt on the Company's ability to continue as a going concern.

The continued operations of the Company are dependent on future profitable operations, management's ability to manage costs, and the future availability of equity or debt financing. Whether and when the Company can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due is uncertain. These unaudited condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

These unaudited condensed interim consolidated financial statements were approved by the Company's Board of Directors on August 7, 2025.

2. Significant Accounting Policies

Basis of preparation

These unaudited condensed interim consolidated Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting as issued by the International Accounting Standards Board (IASB) and should be read in conjunction with the Company's consolidated financial statements as at and for the year ended September 30, 2024 ("last annual financial statements").

(Expressed in Canadian dollars except for per share amounts)

Basis of preparation (Continued)

They do not include all the information and disclosures required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"). However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statements.

Basis of presentation and consolidation

These unaudited condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. Transactions and balances between the Company and its consolidated entities have been eliminated on consolidation. The principal wholly owned subsidiaries of the Company that have been consolidated are as follows:

Name of Entity	Incorporation Date
Odd Burger Ltd.	Amalgamated April 13, 2021
Odd Burger Franchise Inc.	May 31, 2019
Odd Burger Franchise (US) Inc.	April 7, 2022
Preposterous Foods Inc.	February 26, 2018
Globally Local Real Estate Inc.	November 9, 2020
Odd Burger Restaurants Inc.	November 23, 2020

These unaudited condensed interim consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The presentation and functional currency of the Company is the Canadian dollar. In the opinion of the Company's management, all adjustments considered necessary for a fair presentation have been included.

3. Future accounting pronouncements

Accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's unaudited condensed interim consolidated financial statements.

4. Accounts Receivable and Other Receivables

	(Unaudited) June 30, 2025	September 30, 2024
Trade receivable	$ 149,905	$ 40,481
Expected credit loss	(19,975)	(19,975)
	$ 129,930	$ 20,506
HST receivable	343,209	168,955
Other receivable	124,013	38,897
	$ 597,152	$ 228,358

(Expressed in Canadian dollars except for per share amounts)

4. Accounts Receivable and Other Receivables (Continued)

	(Unaudited) June 30, 2025	September 30, 2024
Trade receivable	$ 149,905	$ 40.481
Expected credit loss	(19,975)	(19,975)
	$ 129,930	$ 20,506
Of which:		
Current	26,971	26,206
1-30 days	21,199	3,052
30-60 days	12,303	-
Over 60 days	89,432	11,223
Less: Expected credit loss	(19,975)	(19,975)
	$ 129,930	$ 20,506

The following is a roll-forward of the expected credit loss related to trade receivable:

	(Unaudited) June 30, 2025	September 30, 2024
Beginning of period	$ 19,975	$ 1,415
Expected credit loss	-	19,975
Write-offs charged against provision	-	(1,415)
	$ 19,975	$ 19,975

5. Inventory

Inventories are comprised of the following:

	(Unaudited) June 30, 2025	September 30, 2024
Raw materials	$ 44,170	$ 33,309
Manufactured food	88,310	125,932
Packaging and supplies	26,468	31,575
	$ 158,948	$ 190,816

Inventories are stated at the lower of cost or net realizable value. The Company periodically reviews the value of items in inventory and provides write-downs or write-offs of inventory based on its assessment of saleability and quality. The Company wrote down its inventory by $nil and $nil for the three and nine months ended June 30, 2025 (June 30, 2024 - $nil and $1,307), respectively, related to inventory that it deemed unsaleable.

Raw materials, manufactured food and packaging and supplies recognized as cost of sales for the three and nine months period ended June 30, 2025, amounted to $299,954 and $734,729 (June 30, 2024 - $267,025 and $712,857).

(Expressed in Canadian dollars except for per share amounts)

6. Prepaid Expenses and Deposits

	(Unaudited) June 30, 2025		September 30, 2024	
	Current	Non-current	Current	Non-current
Prepaid expenses	$ 141,443	17,416	$ 8,675	$ 13,876
Security deposits	-	65,720	-	69,260
	$ 141,443	$ 83,136	$ 8,675	$ 83,136

7. Deferred Charges

	(Unaudited) June 30, 2025	September 30, 2024
Current	$ 13,578	$ 13,578
Non-current	88,071	98,254
	101,649	$ 111.832

Deferred charges represent incremental costs incurred in connection with the sale of new franchises, amounted to nil (September 30, 2024 - nil).

8. Lease Receivable

	(Unaudited) June 30, 2025	September 30, 2024
Lease receivable	$ 1,283,045	$ 1,301,535
Expected credit losses	(153,280)	(95,694)
	$ 1,129,765	$ 1,205,841
Current portion	76,335	25,282
Long term portion	$ 1,053,430	$ 1,180,599

The following is a roll-forward of the expected credit loss related to lease receivable:

	(Unaudited) June 30, 2025	September 30, 2024
Beginning of period/year	$ 95,694	$ 450,061
Expected credit loss	57,586	72,787
Write-offs charged against provision	-	(427,154)
	$ 153,280	$ 95,694

(Expressed in Canadian dollars except for per share amounts)

8. Lease Receivable (Continued)

The Company is considered an intermediate lessor on six restaurant premises (six as of September 30, 2024) subleased to franchisees. The following table presents the contractual undiscounted cash inflows for lease receivables at June 30, 2025:

	(Unaudited) June 30, 2025
Within one year	$ 247,308
1 to 2 years	250,286
2 to 3 years	253,888
3 to 4 years	262,670
4 to 5 years	266,718
Thereafter	763,422
Total undiscounted lease receivable	$ 2,044,292
Unearned finance income	(761,247)
Expected credit losses	(153,280)
Total lease receivable	$ 1,129,765

9. Note Receivable

	(Unaudited) June 30, 2025	September 30, 2024
Beginning of period/year	$ 55,608	$ 55,608
Addition	-	-
Interest	2,811	2,811
	$ 58,419	$ 58,419

The Company franchised a location that it had started to construct originally as a corporate restaurant. The Franchisee issued a $75,000 note to pay for the assets, to be paid over 10 years at an interest rate of 4.5%. the Company assessed the valuation of this financial instrument to fall under the fair value hierarchy level 2, using inputs that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices) from observable market data, and has estimated the implicit interest rate to be 10% and the fair value of the note at inception to be $58,818. The company sold equipment at this location to the franchisee when the franchisee wanted to purchase the corporate restaurant. The net book value for equipment was higher than the note receivable, thus the Company recognized loss on disposal of property and equipment of $57,456 in the period ended June 30, 2023. Subsequent to initial recognition, the note receivable is measured at amortized cost using the effective interest method.

	(Unaudited) June 30, 2025
Within one year	$ 7,773
1 to 2 years	9,327
2 to 3 years	9,327
3 to 4 years	9,327
4 to 5 years	9,328
Thereafter	48,970
Total undiscounted lease receivable	$ 94,052
Unearned finance income	(35,633)
Total note receivable	$ 58,419

(Expressed in Canadian dollars except for per share amounts)

10. Property and Equipment

	Computer Equipment	Furniture and Equipment	Leaseholds	Total
Cost:				
Balance September 30, 2023	$ 66,769	$ 1,025,682	$ 1,612,808	$ 2,705,259
Additions	-	2,052	-	2,052
Disposals	(11,234)	(51,988)	(322,905)	(386,127)
Balance September 30, 2024	$ 55,535	$ 975,746	$ 1,289,903	$ 2,321,184
Additions	-	-	-	-
Disposals	-	-	-	-
Balance June 30, 2025 (unaudited)	$ 55,535	$ 975,746	$ 1,289,903	$ 2,321,184
Accumulated Depreciation:				
Balance September 30, 2023	$ 54,224	$ 547,253	$ 416,105	$ 1,017,582
Depreciation	12.518	156,209	176,420	345,207
Disposals	(11,207)	(31,086)	(101,859)	(144,152)
Balance September 30, 2024	$ 55,535	$ 672,436	$ 490,666	$ 1,218,637
Depreciation	-	108,173	99,799	207,972
Disposals	-	-	-	-
Balance June 30, 2025 (unaudited)	$ 55.535	$ 780,609	$ 590,465	$ 1,426,609
Net book value September 30, 2024	$ 12,545	$ 478,429	$ 1,196,703	$ 1,102,547
Net book value June 30, 2025 (unaudited)	$ -	$ 195,137	$ 699,438	$ 894,575

On June 24, 2024, the Company closed a location in Vaughan and entered into an agreement to assign the facility lease to a third party who will operate the facility as an unrelated business. Certain property and equipment including leasehold improvements, computer equipment and furniture and equipment remained with the facility. The company recognized a loss on disposal of fixed assets of $241,973 on the disposition of these assets.

On November 6, 2023, the Company signed an Asset Sale Agreement with a franchisee to sell assets at the Whitby location for $325,000, including leasehold improvements, equipment, and signage. At the same time, a franchise agreement and sublease agreement were also signed. After signing the agreements, the Whitby location was operated by the franchisee. As of September 30, 2023, inventory, property and equipment, right-of-use asset are classified as assets held for sale on the consolidated statements of financial position. As of June 30, 2024, assets held for sale is Nil on the Unaudited Condensed Interim Consolidated Statements of Financial Position. Net proceeds received from selling the disposal group was $266,101, and gain/loss recognized on the sale was nil.

11. Right-of-use Asset

The Company's leased assets include restaurant premises, its production facility and restaurant equipment. Lease liabilities are measured at the present value of the remaining base rent payments, discounted using the Company's incremental cost of borrowing at the date of initial recognition. Right-of-use assets are measured at an amount equal to the lease liabilities at inception and adjusted by the amount of any prepaid or accrued lease payments.

(Expressed in Canadian dollars except for per share amounts)

11. Right-of-use Asset (Continued)

In calculating the underlying right-of-use assets and corresponding lease liabilities, management utilized an average incremental cost of borrowing of 12.3%.

The following schedule shows the movement in the Company's right-of-use assets during the period.

Right-of-use Asset (ROU)	**Note**		**Premises**		**Equipment**		**Total**
Balance as of September 30, 2023		$	1,269,336	$	97,927	$	1,367,263
Additions			422,461		-		422,461
Disposals			(434,606)		-		(434,606)
Balance as of September 30, 2024		$	1,257,191	$	97,927	$	1,355,118
Additions					-		-
Disposals			-		-		-
Balance as of June 30, 2025 (unaudited)		$	1,257,191	$	97,927	$	1,355,118
Accumulated Depreciation							
Balance as of September 30, 2023		$	467,920	$	6,695	$	474,615
Depreciation			205,470		20,080		225,550
Disposals			(92,159)		-		(92,159)
Balance as of September 30, 2024		$	581,231	$	26,775	$	608.006
Depreciation			120,250		15,061		135,311
Disposals			-		-		-
Balance as of June 30, 2025 (unaudited)		$	701,481	$	41,836	$	743,317
Net book value, September 30, 2024		$	675,960	$	71,152	$	747,112
Net book value June 30, 2025 (unaudited)		$	555,710	$	56,091	$	611,801

12. Accounts Payable and Accrued Liabilities

		(Unaudited) June 30, 2025		**September 30, 2024**
Trade payables	$	772,363	$	871,639
Accrued liabilities and other payables		2,408,454		2,544,995
	$	3,180,817	$	3,416,634

(Expressed in Canadian dollars except for per share amounts)

13. Customer Deposits

	(Unaudited) June 30, 2025	September 30, 2024
Customer deposits	$ 267,500	$ 290,000
	$ 267,500	$ 290,000

Customer deposits represent amounts collected from prospective franchisees and will be applied against the franchise fee payable. The amounts are refundable if a franchise agreement is not executed between the parties within the prescribed period.

14. Deferred Revenue

	(Unaudited) June 30, 2025		September 30, 2024	
	Current	Non-current	Current	Non-current
Franchise Fee	$ 54,657	$ 377,564	$ 54,490	$ 431.612
Other	17,943	-	20,290	28,587
	$ 72,600	$ 377,564	$ 74,780	$ 460,199

Under the terms of the franchise agreements, franchisees pay a one-time non-refundable license fee. Such license fee is amortized over the life of the franchise agreements which range from 5 to 10 years.

15. Loans Payable

The following schedule shows the movement in Loans payable for the nine months ended June 30, 2025:

	(Unaudited) June 30, 2025	September 30, 2024
Beginning balance	$ 575,806	$ 164,596
Addition	110,000	456,108
Interest expense	8,549	12,024
Payments	(46,263)	(56,922)
Ending balance	$ 648,092	$ 575,806

(Expressed in Canadian dollars except for per share amounts)

15. Loans Payable (Continued)

Loans payable were comprised of the following:

Loan Payable		**(Unaudited) June 30, 2025**		**September 30, 2024**
Floating base rate plus 4.7%, amortized over 6 years. Secured by first interest in certain equipment.	$	1,949	$	20,231
Floating base rate plus 1%, amortized over 5 years. Secured by guarantee of CEO and COO.		71,143		76,090
Prime rate plus 3%, amortized over 5 years. First ranking and specific security interest in equipment and leaseholds.		-		15,328
Canadian Emergency Business Account, two loans of $40,000 each, interest free until January 18 2024.		80,000		80,000
Credit facility with 15% interest rate, maturing on November 15, 2024. Secured by security interests in certain company equipment.		375,000		374,067
Credit facility with 15% interest rate, maturing on January 15, 2025.		10,000		10,000
Short term advance with no interest and no fixed repayment terms		110,000		-
Subtotal	$	648,092	$	575,806
Less: current portion of loans payable		592,069		508,539
Non-current loans payable	$	56,023	$	67,267

The $375,000 and $10,000 facilities that matured on November 15, 2024 and January 15, 2025 remain unpaid. The lenders have agreed to defer payment of principal and no repayment date has yet been specified. Interest continues to accrue at the stated rate of 15%.

The short term advance was loaned to the Company by an individual related to the CEO. The loan does not have any fixed repayment terms and is unsecured. The advance is interest-free.

16. Lease Liabilities

The following schedule shows the movement in the Company's lease liability related to premise and equipment leases during the six months ended June 30, 2024:

Lease Liabilities		**Right of Use Assets**		**Equipment Finance Leases**		**Total**
Balance as of September 30, 2023	$	2,355,153	$	368,814	$	2,086,364
Interest expense		298,309		36,446		287,979
Lease payments		(398,790)		(192,271)		(591,061)
Remeasurement		(23,481)		-		(23,481)
Additions		197,325		-		197,325
Lease termination		(192,606)		-		(192,606)
Balance as of September 30, 2024	$	2,235,640	$	212,989	$	2,448,629
Interest expense	$	200,090	$	13,630	$	213,720
Lease payments		(373,570)		(128,522)		(502,092)
Disposals		-		-		-
Additions		-		-		-
Balance as of June 30, 2025 (unaudited)	$	2,062,160	$	98,097	$	2,160,257

(Expressed in Canadian dollars except for per share amounts)

16. Lease Liabilities (Continued)

Lease Liabilities		**Right of Use Assets**	**Equipment Finance Leases**	**Total**
Current	$	231,880 $	148,205 $	380,085
Non-current		2,003,760	64,784	2,068,544
Balance as of September 30, 2024	$	2,235,640 $	212,989 $	2,448,629
Current	$	195,090 $	77,612 $	272,702
Non-current		1,867,070	20,485	1,887,555
Balance as of June 30, 2025 (unaudited)	$	2,062,160 $	98,097 $	2,160,257

The Company has equipment finance leases with terms varying from 3 to 5 years and implicit interest rates between 4.0% to 17.43%. The Company has chosen not to recognise a lease liability for leases with an expected term of twelve months or less or for leases of low value assets.

The following table sets forth the undiscounted future lease payments to be made:

Future Lease Payments		**Right of Use Assets**	**Equipment Finance Leases**	**Total**
Within one year	$	438,960 $	73,201 $	512,161
1 to 2 years		426,300	20,817	447,117
2 to 3 years		432,063	-	432,063
3 to 4 years		439,890	-	439,890
4 to 5 years		439,419	-	439,419
After 5 years		977,925	-	977,925
Total	$	3,154,557 $	94,018 $	3,248,575

17. Share Capital

Authorized Capital

The Company is authorized to issue an unlimited number of common shares. As of June 30, 2025, the Company has 98,435,017 shares outstanding.

17. Share Capital (Continued)

Outstanding share capital

On January 29, 2024, the Company completed a non-brokered private placement and issued 1,275,000 Units of the Company (the "Units") at a price of $0.20 per Unit for aggregate gross proceeds of $255,000. Each Unit consists of one common share in the capital of the Company and one Common Share purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase one Common Share at a price of $0.35 per Common Share on or before January 29, 2026. Proceeds and transaction costs from the private placement were allocated to share capital and the warrants based on the relative fair value of the proceeds. The Company recorded $186,053 to share capital and $63,948 to the warrants, which is included in share capital and contributed surplus respectively in the Company’s unaudited condensed interim consolidated financial statements. Total transaction costs related to this transaction were $6,843 in cash of which $1,845 was recorded a s a reduction to contributed surplus and $4,998 as a reduction to share capital.

On December 30, 2024, the Company completed a non-brokered private placement and issued 1,720,000 Units of the Company (the "Units") at a price of $0.25 per Unit for aggregate gross proceeds of $430,000. Each Unit consists of one common share in the capital of the Company and one Common Share purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase one Common Share at a price of $0.30 per Common Share on or before December 30, 2026. Proceeds and transaction costs from the private placement were allocated to share capital and the warrants based on the relative fair value of the proceeds. The Company recorded $285,217 to share capital and $144,783 to the warrants, which is included in share capital and contributed surplus respectively in the Company’s unaudited condensed interim consolidated financial statements. Total transaction costs related to this transaction were $7,706 in cash of which $2,595 was recorded as an expense and $5,111 as a reduction to share capital.

On January 21 2025, 12,600 broker warrants were exercised. Each warrant had an exercise price of $0.25 per warrant resulting in the issuance of 12,600 shares with $3,150 allocated to share capital.

On January 24, 2025, the Company completed a non-brokered private placement and issued 4,008,000 Units of the Company (the "Units") at a price of $0.25 per Unit for aggregate proceeds of $964,800 (after reflecting finders fees paid to a third party of $37,200). Each Unit consists of one common share in the capital of the Company and one Common Share purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase one Common Share at a price of $0.30 per Common Share on or before December 30, 2026. Proceeds and transaction costs from the private placement were allocated to share capital and the warrants based on the relative fair value of the proceeds. The Company recorded $606,755 to share capital and $358,045 to the warrants, which is included in share capital and contributed surplus respectively in the Company’s unaudited condensed interim consolidated financial statements. Total transaction costs related to this transaction were $7,277 in cash of which $2,700 was recorded as an expense and $4,577 as a reduction to share capital

18. Stock Options

Stock Options

The Company’s Board of Directors approved a stock incentive plan in accordance with the policies of the Canadian Securities Exchange (the “Exchange”). The Board of Directors is authorized to grant options to directors, officers, consultants, or employees to acquire up to 10% of the issued and outstanding common shares of the Company. The exercise price will not be less than $0.10 per share and the market price of the common shares on the trading day immediately preceding the date of the grant, less applicable discounts permitted by the Exchange. The options that may be granted under this plan must be exercisable over a period not exceeding 5 years. The Company records an expense and credits contributed surplus for all options granted. The stock options granted to employees, directors, and officers vest as one third on the first anniversary of the date of the grant; one third on the second anniversary of the date of the grant and one third on the third anniversary of the date of the grant.

(Expressed in Canadian dollars except for per share amounts)

18. Stock Options (Continued)

	Number of Options	Weighted Avg Exercise Price
Outstanding September 30, 2024	7,424,487	$ 0.37
Granted	500,000	0.25
Forfeited or Expired	(900,000)	0.29
Outstanding June 30, 2025 (unaudited)	7,024,287	$ 0.36

As at June 30, 2025, the weighted average remaining life of stock options was 2.01 years.

Grant Date	Exercise Price	Stock Options Outstanding	Stock Options Exercisable	Expiry Date
April 13, 2021	$ 0.40	3,505,286	3,505,286	April 13, 2026
April 27, 2021	$ 1.20	100,000	100,000	April 27, 2026
June 4, 2021	$ 1.22	287,334	287,334	June 4, 2026
August 31, 2021	$ 1.00	90,000	90,000	August 31, 2026
December 31, 2021	$ 0.75	41,667	41,667	December 31,2026
August 22, 2022	$ 0.40	150,000	100,000	August 22, 2027
May 10, 2023	$ 0.15	850,000	583,333	May 10, 2028
April 25, 2024	$ 0.15	1,500,000	1,500,000	April 25, 2029
March 31, 2025	$ 0.25	500,000	-	March 31, 2030
		7,024,287	6,207,620	

The weighted average price of stock options vesting in the nine months ended June 30, 2025, was $0.27. Stock options may expire at an earlier date upon termination of services.

Share based compensation expense is determined using the Black-Scholes option pricing model. During the three months and nine months ending June 30, 2025, the Company recognized share-based compensation expense of $14,704 and $30,539 (June 30, 2024 - $151,299 and $184.408) in equity reserves and reversed $24,797 and $24,797 (March 31, 2024 - nil and $79,127) share- based compensation expense for unvested options for a departing directors and a terminated employee. The assumptions used in calculating the fair value of share-based compensation expense for the options granted to directors, officers and employees are as follows: Risk free interest rate of between 0.75% to 3.62%, dividend yield of 0%, expected volatility of 55% to 66%, and expected life of 5 years.

(Expressed in Canadian dollars except for per share amounts)

18. Stock Options (Continued)

Warrants

	Expiry Date	Exercise Price	Outstanding September 30, 2024	Issued	Expired	Exercised	Outstanding June 30,2025
October 7, 2022	October 7, 2024	$ 0.55	979,999	-	(979,999)	-	-
Private Placement January 24, 2023	January 24, 2025	$ 0.40	3,318,000	-	(3,318,000)	-	-
Broker's Warrants	January 24, 2025	$ 0.40	23,800	-	(23,800)	-	-
Broker's Warrants	January 24, 2025	$ 0.25	23,800	-	(11,200)	(12,600)	-
Private Placement February 3, 2023	February 3, 2025	$ 0.40	1,960,000	-	(1,960,000)	-	-
Private Placement January 29, 2024	January 29, 2026	$ 0.35	1,725,000	-			1,275,000
Private Placement December 30, 2024	December 30, 2027	$ 0.30	-	1,720,000	-	-	1,720,000
Broker's Warrants	January 24, 2027	$ 0.25	-	148,800	-	-	148,800
Private Placement January 24, 2025	January 24,2027	$ 0.30	-	4,008,000	-	-	4,008,000
			7,580,599	5,876,800	(6,292,999)	(12,600)	7,151,800

The weighted average exercise price of warrants outstanding at June 30, 2025 was $0.31.

19. Commitments and Contingencies

The Company has been named as a defendant in an employment matter. Such lawsuit was settled on October 16, 2023. The Company paid the defendant $28,729 including legal fees during nine months ended June 30, 2024.

The Company is subject to various claims by third parties arising out of the normal course and conduct of its business, including, but not limited to, labour and employment, regulatory, franchisee related, and environmental claims. In addition, the Company is potentially subject to regular audits from federal and provincial tax authorities relating to income, commodity, and capital taxes and as a result of these audits may receive assessments and reassessments. Although such matters cannot be predicted with certainty, management currently considers the Company's exposure to such claims and litigation, to the extent not covered by the Company's insurance policies or otherwise provided for, not to be material to the Company's consolidated financial statements.

Since 2020, the Canadian federal government made certain government support programs available to eligible entities as part of its COVID-19 economic response plan. The Company applied and received support under the CanExport for business (SMEs), Canada Emergency Wage Subsidy ("CEWS"), Canada Emergency Commercial Rent Assistance ("CECRA") and Canada Emergency Business Account ("CEBA") programs. Each applicant's eligibility for these programs is subject to validation and detailed verification by the federal government. Due to nature of the eligibility requirements and related calculations, it is possible that the eligibility requirements may not be considered to be met upon validation, and as such the benefits received may be repayable.

During the nine month ended June 30, 2024, the Company received two Notice to Arbitrate from former franchisees pursuant to the franchise agreement signed in 2021 and 2022. One of these notices was settled in the quarter ended June 30, 2025 with payments totalling $262,500 being paid over five fiscal quarters beginning in July 2025. The present value of this amount has been accrued in the financial statements. To date there is no accrual for the other Notice to Arbitrate. Although it is difficult to predict the ultimate outcome of this arbitration, management believes that any potential liability would not have a material adverse effect on the Company's consolidated financial statements.

(Expressed in Canadian dollars except for per share amounts)

20. Related Party Transactions

The Company's policy is to conduct all transactions with related parties to align with market terms and conditions. Key management personnel are those persons who have the authority and the responsibility for planning, directing, and controlling the activities of the Company and/or its subsidiaries directly or indirectly, including any external director of the Company and/or its subsidiaries. Key management includes the Company's Chief Executive Officer, Chief Operating Officer and Chief Financial Officer and its external directors.

Compensation of key management during the period is as follows:

	(Unaudited) Three months ended		(Unaudited) Nine months ended	
	June 30, 2025	**June 30, 2024**	**June 30, 2025**	**June 30, 2024**
Salaries, social charges and other personnel expenses	$ -	$ 100,935	$ -	$ 327,180
Share based payments*	(9,796)	25,178	4,214	30,512
	$ (9,796)	$ 126,113	$ 4,214	$ 357,912

*Black-Scholes fair value at time of issue

21. Capital Management

The Company's objective in managing capital is to ensure a sufficient liquidity to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company defines capital as net equity and debt, comprised of issued common shares, warrants, contributed surplus and accumulated deficit, as well as mortgages and loans payable. The Company seeks to ensure that it has sufficient cash resources to maintain its ongoing operations and finance its corporate and administration expenses, working capital and overall capital expenditures. The Company historically has relied on private placements of common shares and debt and more recently equity markets, to fund its activities.

There have been no changes to the Company's objectives and what it manages as capital since the prior fiscal year. The Company is not subject to externally imposed capital requirements.

22. Financial Instruments and Risk Management

Financial Instruments

The Company initially recognizes cash, accounts receivable, and accounts payable and accrued liabilities on the date they originate. All other financial assets and financial liabilities are initially recognized on the trade date when the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company measures financial instruments by grouping them into classes upon initial recognition, based on the purpose of the individual instruments. The Company initially measures all financial instruments at fair value plus, in the case of financial instruments not classified as FVTPL, transaction costs that are directly attributable to the acquisition or issuance of the financial instruments.

Assets and liabilities measured at fair value

Financial instruments recorded at fair value are estimated by applying a fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement. The hierarchy is summarized as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets and liabilities

Level 2 – inputs that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices) from observable market data.

Level 3 – inputs for assets and liabilities not based upon observable market data.

As at June 30, 2024 the carrying amounts of the Company's financial instruments which include cash, accounts receivable and other receivables, note receivable, accounts payable and accrued liabilities and customer deposits represent financial instruments for which the carrying amount approximates fair value due to their short-term maturities.

Financial Risk Factors

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

Credit risk and concentration

Financial instruments that potentially subject the Company to credit risk consist primarily of cash, accounts receivable and other receivables, note receivable and lease receivables. Cash is maintained at Canadian financial institutions, and accounts receivable and other receivables primarily comprise amounts due from customers and sales tax refunds. Lease receivables are due from franchisees. The Company has no significant concentration of credit risk arising from operations.

(Expressed in Canadian dollars except for per share amounts)

22. Financial Instruments and Risk Management (Continued)

The aging of the company's trade receivables as at June 30, 2024 and September 30, 2023 was as follows:

June 30, 2025 (unaudited)		Current		1-30 days		30-60 days		>60 days		Total
Trade receivable	$	26,971	$	21,199	$	12,303	$	89,433	$	149,905
Expected credit loss										(19,795)

September 30, 2024		Current		1-30 days		30-60 days		>60 days		Total
Trade receivable	$	26,206	$	3,052	$	-	$	11,223	$	40,481
Expected credit loss										(19,975)

Liquidity risk

Liquidity risk relates to the risk the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The financial liabilities on its consolidated statements of financial position consist of accounts payable and accrued liabilities, loans payable and lease liabilities. Management closely monitors cash flow requirements and future cash flow forecasts to ensure it has access to funds from operations to meet operational and financial obligations. The continuing operations of the Company are dependent on its ability to raise adequate financing and to commence profitable operations in the future. The following are the remaining non-discounted contractual cash flows at the reporting date:

June 30, 2025 (unaudited)		Within 1 year		Between 1 – 2 years		Between 2 – 5 years		Beyond 5 years		Total
Trade and other payables	$	3,180,817	$	-	$	-	$	-	$	3,180,817
Customer deposits		267,500		-		-		-		267,500
Loans payable		592,069		56,023		-		-		648,092
Lease liabilities		512,161		447,117		1,311,372		977,925		3,248,575
	$	4,552,547	$	503,140	$	1,311,372	$	977,925	$	7,344,984
As at September 30, 2024										
Trade and other payables	$	3,416,634	$	-	$	-	$	-	$	3,416,634
Customer deposits		290,000		-		-		-		290,000
Loans payable		508,539		67,267		-		-		575,806
Lease liabilities		584,707		480,811		1,325,573		1,306,793		3,697,884
	$	4,688,360	$	548,078	$	1,325,573	$	1,306,793	$	7,868,804

Interest rate risk

The Company is subject to interest rate risk from its variable rate bank borrowings and variable rate equipment lease. As at June 30, 2024, a 1% change in prevailing interest rates would change the annualized interest charges incurred by $5,381 (June 30, 2024 - $5,124).

Commodity price risk

The Company is exposed to increases in the prices of commodities in operating its Company-owned restaurants. To manage this exposure, the Company uses purchase arrangements for a portion of its needs for certain consumer products that may be commodities based.

(Expressed in Canadian dollars except for per share amounts)

23. Revenue

Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services in the following major revenue streams:

	(Unaudited) Three months ended		(Unaudited) Nine months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Corporate restaurant sales	$ 465,879	$ 750,332	$ 1,422,180	$ 2,114,149
Food processing sales	465,134	55,447	780,317	161,722
Total food sales	$ 931,013	$ 805,779	$ 2,202,497	$ 2,275,871
Franchise revenue	113,633	73,588	300,780	138,350
	$ 1,044,646	$ 879,367	$ 2,503,277	$ 2,414,221

Contract assets and liabilities

As at June 30, 2024 and September 30, 2023, the Company had contract assets and liabilities as follows:

Contract asset – Deferred Charges

	(Unaudited) June 30, 2025	September 30, 2024
Balance beginning of the period/year	$ 111,832	$ 125,410
Costs incurred	-	-
Recognized as expense	(10,183)	(13,578)
Balance, end of period/year (Note 7)	$ 101,649	$ 111,832
Less current portion	$ (13,578)	$ (13,578)
Deferred charges	$ 88,071	$ 98,254

During the year ended September 30, 2022, the Company began to engage third parties to identify potential new franchisees. The Company incurs costs to obtain contracts in the form of sales commissions payable upon securing new franchisees. These costs are deferred and recognized as expense over the term of the franchise agreement which is usually ten years. Costs such as legal fees incurred prior to the execution of the franchise agreement are expensed as incurred.

Contract liability- Deferred Revenue

	(Unaudited) June 30, 2025	September 30, 2024
Franchise fees - licence of intellectual property		
Balance, beginning of period/year	$ 486,102	$ 395,580
Receipts	-	137,393
Revenue recognized	(87,516)	(46,871)
Balance, end of period/year (Note 14)	$ 398,586	$ 486,102

(Expressed in Canadian dollars except for per share amounts)

23. Revenue (Continued)

Initial franchise fees are collected when a new franchise agreement is executed. The portion of the initial franchise fee related to the license of intellectual property is recognized in revenue over the period of the franchise agreement which is usually ten years. Therefore, increases in the contract liability balance relate to the volume of new franchise agreements during the period.

Performance obligations

Performance obligations for the license of the Company's intellectual property are satisfied over time corresponding with the period of the Franchise Agreement. The consideration collected in the form of initial franchise fees for these remaining performance obligations is expected to be recognized in revenue as follows:

	(Unaudited) June 30, 2025	September 30, 2024
Within one year	$ 62,762	$ 54,489
1 to 2 years	132,524	108,979
3 to 4 years	111,562	108,978
5 to 10 years	91,738	178,655
	$ 398,586	$ 451,101

24. Expenses

Cost of goods sold is made up of the following items:

	(Unaudited) Three months ended		(Unaudited) Nine months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Materials and services	$ 299,954	$ 253,184	$ 734,729	$ 712,857
Capitalized overhead	264,016	199,462	685,399	621,260
Depreciation	37,101	21,070	125,215	131,501
	$ 601,071	$ 473,716	$ 1,545,343	$ 1,465,618

General and administrative expenses are made up of the following items:

	(Unaudited) Three months ended		(Unaudited) Nine months ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Advertising	$ 7,709	$ (52,570)	$ 50,055	$ 36,096
Depreciation	111,178	99,439	259,218	285,870
Rent and other occupancy costs	(23,154)	83,225	190,736	205,771
Other	127,179	(15,717)	435,543	(125,880)
	$ 222,912	$ 114,377	$ 935,552	$ 671,369

(Expressed in Canadian dollars except for per share amounts)

25. Non-Cash Working Capital

The change in non-cash working capital is comprised of the following:

	(Unaudited) Nine months ended June 30, 2025	(Unaudited) Nine months ended June 30, 2024
Accounts receivable and other receivables	$ (368,794)	$ (98,069)
Inventory	31,868	4,123
Prepaid expenses and deposits	(132,768)	(5,470)
Deferred charges	10,183	10,183
Accounts payable and accrued liabilities	(235,818)	(14,376)
Customer deposits	(22,500)	(35,000)
Deferred revenue	(89,863)	75,768
	$ (807,692)	$ (62,841)

26. Comparative figures

Certain comparative figures have been reclassified to conform to the June 30, 2025 unaudited condensed interim consolidated financial statements with no effect on our previously reported consolidated results of operations, consolidated financial position, or consolidated cash flows.