

Condensed Consolidated Interim Financial Statements of

Purebread Brands Inc.

(Formerly Coho Collective Kitchens Inc.)

(unaudited)

For the three and nine months ended December 31, 2025 and 2024

(Expressed in Canadian dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, *Continuous Disclosure Obligations*, 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 for a review of interim financial statements by an entity's auditor.

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

PUREBREAD BRANDS INC. (FORMERLY COHO COLLECTIVE KITCHENS INC.)

Condensed Consolidated Interim Statements of Financial Position

(Unaudited – Expressed in Canadian Dollars)

	Note	As at December 31, 2025	As at March 31, 2025
ASSETS			
Current			
Receivables		\$ 52,095	\$ 65,411
Inventory		204,653	204,653
Prepaid expenses – current portion		144,331	145,185
		<u>401,079</u>	<u>415,249</u>
Non-current			
Prepaid expenses		115,976	110,686
Property and equipment	5	1,335,063	1,572,586
Right-of-use assets	6	4,630,730	5,302,050
Goodwill	4	6,987,016	6,987,016
Intangible assets	4	4,602,091	4,609,324
TOTAL ASSETS		\$ 18,071,955	\$ 18,996,911
LIABILITIES			
Current			
Bank indebtedness		112,543	259,050
Trade payables and accrued liabilities	12	8,921,449	8,756,844
Customer deposits	13	302,625	308,110
Equipment deposit	14	399,908	399,908
Deferred revenue		82,171	49,838
Lease obligation – current portion	6	1,054,833	983,486
Loans from shareholders	12	374,761	377,654
Other loans – current portion	15	2,615,202	5,701,287
Convertible debentures	17	2,165,576	2,071,082
Promissory notes	16	96,350	635,200
Derivative liability	18	64,578	64,578
Vendor take-back note	20	1,500,000	1,500,000
Term Facility	19	4,908,493	4,742,577
Acquisition earn-out – current portion		241,646	196,629
		<u>22,840,135</u>	<u>26,046,243</u>
Non-current			
Lease obligation	6	7,907,753	8,619,628
Other loans	15	-	332,550
Acquisition earn-out		171,435	348,336
Deferred income tax liability	21	1,155,921	1,155,921
TOTAL LIABILITIES		32,075,244	36,502,678
SHAREHOLDERS' DEFICIT			
Share capital	7	19,730,597	19,475,341
Other reserves	7,8	2,493,703	2,482,407
Obligation to issue shares	15	207,080	207,080
Subscriptions received in advance	7	25,000	25,000
Deficit		(36,459,669)	(39,695,595)
TOTAL SHAREHOLDERS' DEFICIT		(14,003,289)	(17,505,767)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT		\$ 18,071,955	\$ 18,996,911

Nature of operations and going concern (Note 1)

Subsequent events (Note 23)

Approved by the Directors:

“Alex MacDonald”

Alex MacDonald, Director

“Amrit Maharaj”

Amrit Maharaj, Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PUREBREAD BRANDS INC. (FORMERLY COHO COLLECTIVE KITCHENS INC.)

Condensed Consolidated Interim Statements of Income (Loss)

(Unaudited – Expressed in Canadian Dollars)

	Note	Three months ended December 31, 2025	Three months ended December 31, 2024	Nine months ended December 31, 2025	Nine months ended December 31, 2024
REVENUE					
Rental	22	\$ 450,321	\$ 565,907	\$ 1,237,644	\$ 2,064,197
Retail	22	3,085,048	3,171,453	10,063,131	10,412,177
TOTAL REVENUE		3,535,369	3,737,360	11,300,775	12,476,374
COST OF SALES (RETAIL)	22	1,247,345	1,428,944	4,015,852	4,717,767
GROSS PROFIT		2,288,024	2,308,416	7,284,923	7,758,607
OPERATING EXPENSES					
Advertising and promotion		44,416	3,096	52,248	12,005
Amortization	4,5,6	279,932	490,157	798,538	1,607,730
Accretion	15,17	98,193	93,525	313,534	296,906
Interest	6,15,16, 17,19,20	493,625	697,434	1,935,180	2,132,424
Occupancy cost		345,621	406,976	1,085,063	2,078,448
Office and miscellaneous		150,518	183,409	395,403	486,335
Professional fees		346,252	159,189	817,149	933,785
Salaries and benefits	12	872,869	1,100,243	2,626,760	3,479,896
Share based compensation	8,12	10,997	47,966	27,890	177,275
Subcontractor		33,070	32,904	88,761	123,144
Supplies		170,227	156,278	422,649	466,126
TOTAL OPERATING EXPENSES		2,845,720	3,371,177	8,563,175	11,794,074
NET OPERATING LOSS		\$ (557,696)	\$ (1,062,761)	\$ (1,278,252)	\$ (4,035,467)
OTHER ITEMS					
Loss on provision for facility related obligations		-	(477,750)	-	(477,750)
Gain on debt-to-equity settlement		743,486	-	4,514,178	-
NET INCOME (LOSS)		\$ 185,790	\$ (1,540,511)	\$ 3,235,926	\$ (4,513,217)
NET INCOME (LOSS) PER SHARE – BASIC	9	\$0.01	\$(0.06)	\$0.13	\$(0.19)
NET INCOME (LOSS) PER SHARE – DILUTED	9	\$0.01	\$(0.06)	\$0.13	\$(0.19)

(*) Pursuant to the 5-for-1 share consolidation, the Company's outstanding common shares have been retroactively adjusted to reflect the share consolidation (Note 1).

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PUREBREAD BRANDS INC. (FORMERLY COHO COLLECTIVE KITCHENS INC.)

Condensed Consolidated Interim Statements of Changes in Shareholders' Deficit

(Unaudited – Expressed in Canadian Dollars)

	Number of shares (*)	Share Capital	Other Reserves	Obligation to issue shares	Subscriptions Received in Advance	Deficit	Total Shareholders' Deficit
Balance at March 31, 2024	23,156,680	\$ 19,465,497	\$ 2,324,719	\$ -	\$ 25,000	\$ (25,119,016)	\$ (3,303,800)
Shares issued for vested restricted share units (Note 7)	9,375	9,844	(9,844)	-	-	-	-
Share-based compensation (Note 8)	-	-	177,275	-	-	-	177,275
Net loss for the period	-	-	-	-	-	(4,513,217)	(4,513,217)
Balance at December 31, 2024	23,166,055	\$ 19,475,341	\$ 2,492,150	\$ -	\$ 25,000	\$ (29,632,233)	\$ (7,639,742)
Balance at March 31, 2025	23,166,055	19,475,341	2,482,407	207,080	25,000	(39,695,595)	(17,505,767)
Shares issued for debt settlement (Note 7, 15)	4,379,162	238,662	-	-	-	-	238,662
Shares issued for vested restricted share units (Note 7)	21,042	16,594	(16,594)	-	-	-	-
Share-based compensation (Note 8)	-	-	27,890	-	-	-	27,890
Net income for the period	-	-	-	-	-	3,235,926	3,235,926
Balance at December 31, 2025	27,566,259	\$ 19,730,597	\$ 2,493,703	\$ 207,080	\$ 25,000	\$ (36,459,669)	\$ (14,003,289)

(*) Pursuant to the 5-for-1 share consolidation, the Company's outstanding common shares have been retroactively adjusted to reflect the share consolidation (Note 1).

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

PUREBREAD BRANDS INC. (FORMERLY COHO COLLECTIVE KITCHENS INC.)

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited – Expressed in Canadian Dollars)

	For the nine months ended December 31, 2025	For the nine months ended December 31, 2024
Operating Activities		
Net income (loss) for the period	\$ 3,235,926	\$ (4,513,217)
Items not involving cash:		
Amortization of property and equipment	237,523	686,368
Amortization of right-of-use assets	671,320	966,229
Amortization of intangible assets	7,233	7,233
Accretion of non-interest bearing loans and convertible debentures	313,534	296,906
Interest	1,766,421	1,240,579
Share-based compensation	27,890	177,275
Gain on debt-to-equity settlement	(4,514,178)	-
Changes in working capital and other items:		
Receivables	13,316	93,069
Inventory	-	(39,482)
Prepaid expenses	(4,436)	502,091
Trade payables and accrued liabilities	170,293	2,105,938
Deferred revenue	32,333	(23,098)
Customer deposits	(5,485)	(24,914)
Acquisition earn-out	(131,884)	(137,228)
Net cash provided by operating activities	<u>1,819,806</u>	<u>1,337,749</u>
Investing Activities		
Purchase of property and equipment	-	(234,036)
Payables related to capital expenditures	-	12,434
Net cash used in investing activities	<u>-</u>	<u>(221,602)</u>
Financing Activities		
Loan advances	1,095,000	1,752,499
Loan repayments	(1,374,762)	(616,770)
Promissory note advances	-	100,000
Promissory note repayments	-	(160,000)
Term facility repayments	(100,000)	(804,324)
Lease obligation	(1,264,902)	(1,505,269)
Shareholder repayments	(2,893)	(109,312)
Net cash used in financing activities	<u>(1,647,557)</u>	<u>(1,343,176)</u>
Effect of foreign exchange on cash	(25,742)	31,653
Increase (decrease) in cash (bank indebtedness) during the period	146,507	(195,376)
Cash (bank indebtedness), beginning of period	(259,050)	(116,401)
Cash (bank indebtedness), end of period	\$ (112,543)	\$ (311,777)
Supplemental Cash Flow Information		
Transfer from reserves to share capital upon vesting of restricted share units	\$ 16,594	\$ 9,844
Shares issued to settle other loans	213,174	-
Shares issued to settle promissory notes	19,800	-
Shares issued to settle trade payables	5,688	-

PUREBREAD BRANDS INC. (FORMERLY COHO COLLECTIVE KITCHENS INC.)

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended December 31, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND GOING CONCERN

Purebread Brands Inc. (formerly Coho Collective Kitchens Inc.) (the “Company”) was incorporated on June 7, 2019 under the *Business Corporations Act* of British Columbia. The Company’s principal business activities include the operations of Purebread Bakery Inc. (“Purebread Bakery”), which currently runs eight bakery and café locations across British Columbia, as well as the provision of Commercial Commissary Kitchens and rental of these kitchens to food based businesses in Canada. The Company’s registered office is at 2900-550 Burrard Street Vancouver, BC V6C 0A3.

On May 22, 2024, the Company changed its name to Purebread Brands Inc., and, effective May 24, 2024, it continued to trade on the TSX Venture Exchange (“TSXV”) under its new ticker symbol “BRED,” having previously traded as “COHO.V.”

On April 8, 2025 the Company completed a 5-for-1 consolidation of its common shares (the “Share Consolidation”) (Note 7). Except where otherwise indicated, all historical share numbers and per share amounts have been adjusted on a retroactive basis to reflect following the Share Consolidation.

Going Concern

These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company is able to meet its commitments, realize its assets and discharge its liabilities through its normal course of business.

The Company’s ability to meet its financial obligations depends on a number of factors, some of which are beyond its control. These include general global economic, credit and capital market conditions, and the demand for and selling price of its services. There is no assurance that the expected cash flows from operations and the other steps being taken will allow the Company to meet its obligations as they become due.

The Company may not generate sufficient funds from operations to meet all of its financial obligations and may need to generate funds from other sources to do so. Rapidly changing global economic conditions make access to the credit and capital markets difficult for the Company, which may compromise its ability to obtain suitable financing.

On October 3, 2025, the Company received a demand letter from BMO for immediate repayment of approximately \$5,209,930 under an existing credit agreement (Notes 19 and 23). In conjunction with the demand, BMO issued a Notice of Intention to Enforce Security under the Bankruptcy and Insolvency Act (Canada), enabling it to enforce security over the Company’s assets beginning October 14, 2025, unless earlier consent is provided.

Subsequent to December 31, 2025, the obligation was assigned to a third-party investor and the terms remained the same (Notes 19 and 23).

The Company’s existing financial obligations will constrain its capital spending and that may have an adverse effect on its operations. The Company’s debt levels will also limit its ability to expand its operations or make other investments that would enhance its competitiveness.

Accordingly, there is a risk that the steps described above will not be successful in allowing the Company to meet its obligations, which may require the Company to sell core assets or raise debt or equity capital. However, these actions may have a material adverse effect on the Company’s business and on the market prices of its equity securities.

If the Company is unable to generate positive cash flow or obtain adequate financing, the Company would need to reduce operations. For the nine months ended December 31, 2025, the Company had a net income of \$3,235,926 (2024 – net loss of \$4,513,217), and positive cash flows from operations of \$1,819,806 (2024 - \$1,337,749). At December 31, 2025, the Company’s current liabilities exceeded its current assets by \$22,439,056. These factors

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indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon the Company's ability to achieve profitable operations, the ability to obtain debt or equity financing, and the ability to renegotiate existing debt. The Company has been successful obtaining funding in the past but there is no assurance that it will be successful in obtaining future funding. Failure to continue as a going concern would require that Company's assets and liabilities be restated on a liquidation basis which could differ materially from the going concern basis.

2. BASIS OF PRESENTATION

These unaudited condensed consolidated interim financial statements as at and for the nine months ended December 31, 2025 and 2024 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and in accordance with IAS 34, Interim Financial Reporting ("IAS 34"). The accounting policies, methods of computation and presentation applied in these unaudited condensed consolidated interim financial statements are consistent with those of the previous fiscal year. These unaudited condensed consolidated interim financial statements reflect the accounting policies and disclosures described in Note 3 of the Company's audited consolidated financial statements for the year ended March 31, 2025, and accordingly, should be read in conjunction with those audited consolidated financial statements and the notes thereto.

These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for certain financial instruments, which are measured at fair value. The condensed consolidated interim financial statements are presented in Canadian dollars and all financial amounts, other than per-share amounts, are rounded to the nearest dollar. The functional currency of the Company and its subsidiaries is the Canadian dollar.

The Company's board of directors approved the release of these condensed consolidated interim financial statements on February 25, 2026.

3. MATERIAL ACCOUNTING POLICIES

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

ENTITY	REGISTERED	HOLDING
Coho Commissary Inc.	British Columbia	100%
Coho Creekside Commissary Inc.	British Columbia	100%
The Block at Coho Collective Kitchens Inc.	British Columbia	100%
Café Coho Inc.	British Columbia	100%
Sunshine by Coho Collective Kitchens Inc.	British Columbia	100%
Richmond by Coho Collective Kitchens Inc.	British Columbia	100%
Phantom Kitchen Inc.	British Columbia	100%
Victoria by Coho Collective Kitchens Inc.	British Columbia	100%
Coho Acquisition Corp.	British Columbia	100%
Purebread Bakery	British Columbia	100%

The subsidiaries are controlled by the Company. Control exists when the Company is exposed, or has rights, to the variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The financial statements of the subsidiaries are included in the condensed consolidated interim financial statements from the date that control commences. Intercompany balances and transactions, and any unrealized income and

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expenses arising from intercompany transactions, are eliminated in preparing the condensed consolidated interim financial statements.

4. INTANGIBLE ASSETS AND GOODWILL

	Goodwill	Customer Relationship	Brand	Total
Cost				
Balance as at December 31, 2025, March 31, 2025 and 2024	\$ 6,987,016	\$ 96,000	\$ 4,528,000	\$ 11,611,016
Accumulated Amortization				
Balance as at March 31, 2024	\$ -	\$ 5,076	\$ -	\$ 5,076
Depreciation expense	-	9,600	-	9,600
Balance as at March 31, 2025	-	14,676	-	14,676
Depreciation expense	-	7,233	-	7,233
Balance as at December 31, 2025	-	21,909	-	21,909
Net Book Value as at December 31, 2025	\$ 6,987,016	\$ 74,091	\$ 4,528,000	\$ 11,589,107
Net Book Value as at March 31, 2025	\$ 6,987,016	\$ 81,324	\$ 4,528,000	\$ 11,596,340

The brand was determined to have an indefinite life as it is expected to contribute to cashflows indefinitely. The goodwill and the brand are part of the retail bakery CGU.

At acquisition, goodwill and intangible assets are allocated to the cash generating unit (“CGU”) expected to benefit from the synergies of the business combinations in which the goodwill and intangible assets arise. The Company has determined that goodwill, the brand and customer relationship are pertaining to Purebread Bakery (retail bakery CGU). Goodwill and the brand are subject to impairment testing on an annual basis. The annual impairment test date is March 31, 2026 and 2025. For the year ended March 31, 2025, the recoverable amounts of goodwill and the brand were determined using the fair value less costs of disposal (FVLCD) method. The FVLCD is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, less the costs of disposal. To determine the FVLCD, the discounted cash flow (DCF) method was used and this involves estimating future cash inflows and outflows that are expected to be derived from the asset and discounting them at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The key assumptions used in the DCF calculations for the impairment testing of goodwill, the brand, and customer relationship as at March 31, 2025, were as follows:

- Discount Rate: 15.3% (2024:17.1%)
- Cash Flow Projections: Based on management's approved budgets and forecasts covering a period of 5 years. Cash flows beyond the 3-year period have been extrapolated using a steady growth rate of 2%, (2024: 3%) which does not exceed the long-term average growth rate for the industry.

If the Company adjusts their forecast removing operations for one location but continues to incur occupancy costs, and all assumptions remain the same, the result is a \$112,631 impairment loss.

Based on the impairment test performed, the recoverable amount exceeded the carrying value as at March 31, 2025.

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Notes to the Condensed Consolidated Interim Financial Statements

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5. PROPERTY AND EQUIPMENT

	Software	Furniture and Equipment	Leasehold Improvements	Total
Cost				
Balance as at March 31, 2024	\$ 86,598	\$ 1,329,923	\$ 5,796,994	\$ 7,213,515
Additions	-	4,390	223,835	228,225
Derecognition of property and equipment	(86,598)	(579,221)	(3,633,459)	(4,299,278)
Balance as at March 31 and December 31, 2025	-	755,092	2,387,370	3,142,462
Accumulated Amortization				
Balance as at March 31, 2024	67,078	746,335	1,326,500	2,139,913
Depreciation expense	19,520	190,024	458,889	668,433
Derecognition of property and equipment	(86,598)	(311,185)	(840,687)	(1,238,470)
Balance as at March 31, 2025	-	625,174	944,702	1,569,876
Depreciation expense	-	32,104	205,419	237,523
Balance as at December 31, 2025	-	657,278	1,150,121	1,807,399
Net Book Value as at December 31, 2025	\$ -	\$ 97,814	\$ 1,237,249	\$ 1,335,063
Net Book Value as at March 31, 2025	\$ -	\$ 129,918	\$ 1,442,668	\$ 1,572,586

During the year ended March 31, 2025, some of the Company's lease agreements were terminated and as a result, the plant and equipment including leasehold improvements at these locations was derecognized and a loss of \$3,060,808 was recorded in the statement of loss and comprehensive loss.

Furniture and equipment are included in the leased space to the Company's customers.

6. LEASES

As at December 31, 2025 the Company had lease arrangements with various lease agreements for its commercial kitchens and bakery locations. Fair value of the right-of-use assets and lease obligations were determined by discounting future lease payments at incremental borrowing rates which averaged 9%, applicable on date of acquisition. The summary of the Company's right-of-use asset and lease liabilities are as follows:

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Right-of-use assets

Cost	
Balance as at March 31, 2024	\$ 12,565,742
Additions	848,337
Derecognition of right-of-use asset	(5,918,186)
Balance as at March 31 and December 31, 2025	7,495,893
Accumulated Amortization	
Balance as at March 31, 2024	\$ 2,131,011
Amortization	1,154,771
Derecognition of right-of-use asset	(1,091,939)
Balance as at March 31, 2025	2,193,843
Amortization	671,320
Balance as at December 31, 2025	2,865,163
Net Book Value as at December 31, 2025	\$ 4,630,730
Net Book Value as at March 31, 2025	\$ 5,302,050

Lease Obligation

Balance as at March 31, 2024	\$ 11,900,155
Additions – premises and equipment	848,337
Interest expense	1,005,888
Lease payments	(1,928,259)
Derecognition of lease obligation	(2,223,007)
Balance as at March 31, 2025	9,603,114
Interest expense	624,374
Lease payments	(1,264,902)
Balance as at December 31, 2025	8,962,586
Current portion of lease liabilities	(1,054,833)
Non-current portion of lease liabilities	\$ 7,907,753

The Company has elected not to recognize right-of-use assets for leases that have a term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments with these leases as an expense on a straight-line basis over the lease term, \$80,100 was expensed in profit and loss relating to these leases during the nine months ended December 31, 2025 (December 31, 2024 - \$67,500).

The variable rental payments that were expensed and not included in the measurement of right-of-use assets and lease obligations during the nine months ended December 31, 2025, was \$1,500,166 (December 31, 2024 - \$716,682).

Right-of-use assets includes right-of-use premises only. Right-of-use equipment and vehicles are included in property and equipment (Note 5). As at December 31, 2025, \$47,184 of leased equipment and vehicles was included in property and equipment (March 31, 2025 - \$242,738).

As at December 31, 2025, the future minimum lease payments under non-cancellable lease agreements were payable as follows:

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	December 31, 2025	
Less than 1 year	\$	2,039,952
Between 1 and 3 years		5,036,463
More than 3 years		5,786,377
Total	\$	12,862,792

On August 14, 2024, a subsidiary of the Company, *Richmond by Coho Collective Kitchens Inc.*, was served with a notice of civil claim filed in the Supreme Court of British Columbia by its landlord, the Peterson Crestwood Limited Partnership Group (the “Richmond Landlord”). The Company was also named as a co-defendant. The claim seeks unspecified damages in relation to the Richmond Location.

On September 24, 2024, the Company filed its response to the claim. As of December 31, 2025 and March 31, 2025, management has assessed the claim and based on this assessment, the Company recognized a provision of \$2,000,000 for facility-related obligations during the year ended March 31, 2025, which has been included in trade payables and accrued liabilities. This amount reflects management’s best estimate of the expected outflow of resources.

The timing of the ultimate resolution of the matter is uncertain, and the final outcome may differ from the amount provided. The Company intends to vigorously defend itself against this litigation.

In addition, the Company wrote off prepaid expenses of \$386,265 related to the Richmond Location during the year ended March 31, 2025.

On October 25, 2024, the Company was also served with a notice of civil claim filed in the Supreme Court of British Columbia by TC Evolution Limited Partnership (“Victoria Landlord”) the landlord of another location that it had planned to open in Victoria. The claim stated that the Company breached the lease and sought damages of \$478,988. During the year ended March 31, 2025, the Company recorded a loss on provision of for facility related obligations of \$478,988 relating to this claim, which is included in trade payables and accrued liabilities.

During the year ended March 31, 2025, some of the company’s lease agreements were terminated and as a result, the right of use assets and lease liability balances were derecognized and a loss of \$2,603,240 was recorded in the statement of loss and comprehensive loss.

7. SHARE CAPITAL

Authorized

The Company may issue unlimited common voting shares without par value.

Issued

The Company completed a Share Consolidation on April 8, 2025, in which 1 new share was issued for each 5 outstanding shares. Prior to this Share Consolidation, a total of 115,830,297 common shares were outstanding and they were converted into 23,166,055 common shares. Except where otherwise indicated, all historical share numbers and per share amounts have been adjusted on a retroactive basis to also reflect this Share Consolidation.

	December 31, 2025	March 31, 2025
27,566,259 Common shares (March 31, 2025 – 23,166,055)	\$ 19,730,597	\$ 19,475,341

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During the nine months ended December 31, 2025:

On April 8, 2025, the Company completed a 5-for-1 consolidation of its common shares. The consolidation took effect at the close of business on that date.

During the nine months ended December 31, 2025, 21,042 common shares were issued upon the vesting of 21,042 restricted share units (Note 8). \$16,594 was transferred from reserves to share capital upon the vesting of these restricted share units.

On September 26, 2025, the Company completed the first tranche of its debt-to-equity conversion transaction and issued 3,739,162 common shares and 1,869,581 share purchase warrants (Note 8) to settle \$3,938,954 of outstanding debt (Notes 15 and 16). A value of \$168,262 was allocated to the common shares and \$nil to the warrants since they were deep out-of-the-money. A gain on settlement of \$3,770,692 was recognized in connection with this settlement.

On December 12, 2025, the Company completed the second tranche of its debt-to-equity conversion transaction and issued 640,000 common shares and 320,000 share purchase warrants (Note 8) to settle \$813,886 of outstanding debt (Note 15). A value of \$70,400 was allocated to the common shares and \$nil to the warrants since they were deep out-of-the-money. A gain on settlement of \$743,486 was recognized in connection with this settlement.

As of December 31, 2025, the Company had received \$25,000 in proceeds from a subscriber in advance of issuing common shares (March 31, 2025 – \$25,000).

During the nine months ended December 31, 2024:

During the nine months ended December 31, 2024, 9,375 common shares were issued upon the vesting of 9,375 restricted share units (Note 8). \$9,844 was transferred from reserves to share capital upon the vesting of these restricted share units.

As at December 31, 2024, the Company received \$25,000 in proceeds from a subscriber before common shares were issued (March 31, 2024 - \$25,000).

8. OTHER RESERVES

The summary of the Company's other reserves is as follows:

	Stock options (a)	Restricted share units (b)	Warrants (c)	Other	Total
Balance at March 31, 2024	\$ 499,177	\$ 399,321	\$ 745,931	\$ 680,290	\$ 2,324,719
Share-based compensation	46,139	121,393	-	-	167,532
Vested RSUs	-	(9,844)	-	-	(9,844)
Balance at March 31, 2025	\$ 545,316	\$ 510,870	\$ 745,931	\$ 680,290	\$ 2,482,407
Share-based compensation	14,110	13,780	-	-	27,890
Vested RSUs	-	(16,594)	-	-	(16,594)
Balance at December 31, 2025	\$ 559,426	\$ 508,056	\$ 745,931	\$ 680,290	\$ 2,493,703

PUREBREAD BRANDS INC. (FORMERLY COHO COLLECTIVE KITCHENS INC.)

Notes to the Condensed Consolidated Interim Financial Statements

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a) Stock Options

The Company has established an Omnibus plan (the “Plan”) whereby the Company's Board of Directors may from time to time grant stock options to employees and non-employees. Stock options under the Plan have been granted to directors, officers, consultants and certain employees of the Company. Stock options granted under the Plan will not have a term to exceed 10 years from the date of grant. The maximum number of shares that may be reserved for issuance under the Plan shall not exceed 10% of the Company's outstanding common shares. Vesting is determined by the Board of Directors.

The continuity of the Company's stock options is as follows:

	Number outstanding	Weighted average exercise price
Outstanding at March 31, 2024	590,625	\$ 1.50
Forfeited	(294,000)	1.23
Outstanding at March 31, 2025	817,000	\$ 1.26
Exercisable at March 31, 2025	638,000	\$ 1.38
Forfeited	(132,500)	1.12
Outstanding at December 31, 2025	684,500	\$ 1.28
Exercisable at December 31, 2025	592,250	\$ 1.34

As at December 31, 2025, the Company had a total of 684,500 stock options outstanding under the Plan to certain directors, officers, consultants and employees of the Company. Each stock option entitles the holder to purchase one common share at an exercise price of \$0.55 to \$2.00 for a period of five years following the grant date.

The weighted average exercise price per option granted in the nine months ended December 31, 2025 and 2024 was \$nil as no options were granted. In determining the amount of share-based compensation, the Company used the Black Scholes Option Pricing model to establish the fair value of stock options granted during the nine months ended December 31, 2025 and 2024 by applying the following weighted average assumptions:

	December 31, 2025	December 31, 2024
Risk-free interest rate	N/A	N/A
Expected life of options (years)	N/A	N/A
Expected annualized volatility	N/A	N/A
Expected dividend yield	N/A	N/A

Volatility was estimated by using the historical prices of comparable publicly-listed companies. The expected life in years represents the period of time that the stock options granted are expected to be outstanding. The risk-free rate was based on the zero-coupon Canada government bonds with a remaining term equal to the expected life of the stock option. The weighted average fair value of the options granted during the nine months ended December 31, 2025 and 2024 was \$nil as no options were granted.

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The number of options outstanding and exercisable under the Plan at December 31, 2025 is as follows:

Expiry date	Number of stock options outstanding	Exercise price	Number of stock options exercisable
March 25, 2026	255,000	\$ 1.50	255,000
August 11, 2026	30,000	1.50	30,000
January 1, 2027	55,000	2.00	55,000
March 11, 2027	40,000	2.00	30,000
August 15, 2027	80,000	1.05	80,000
February 6, 2028	50,000	0.55	25,000
December 7, 2028	174,500	0.85	117,250
Balance at December 31, 2025	684,500	\$ 1.28	592,250

Total share-based compensation as a result of stock option grants during the nine months ended December 31, 2025 was \$14,110 (December 31, 2024 – \$50,736).

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b) Restricted share units

As part of the Plan, the Company's Board of Directors may from time to time grant restricted share units ("RSUs") to employees and non-employees. Once vested, each RSU represents the right to receive one common share of the Company, or a cash payment or a combination of cash and shares as determined by the Plan administrator in its discretion. The table below summarizes the Company's RSU activity by date of grant, number of RSUs granted, RSU receiving party, RSU vesting schedule, RSU forfeiture details, and RSU vested and common shares issued details:

Date of Grant	# of RSUs Granted	RSU Receiving Party	RSU Vesting Schedule	RSU Forfeiture Details	RSUs Vested and Common Shares Issued Details
August 15, 2022	374,500	Consultants and Employees	- 302,000 RSUs will vest on August 15, 2023 - 72,500 RSUs will vest in 4 equal installments over 4 years beginning August 15, 2023	- 117,500 RSUs forfeited as at March 31 and December 31, 2025	245,750 RSUs vested as at March 31, 2025 (44,250 common shares issued, 201,500 deferred) 245,750 RSUs vested as at December 31, 2025 (49,875 common shares issued, 195,875 deferred)
December 1, 2022	33,000	Employees	- 12,750 RSUs will vest on December 1, 2023 - 8,250 RSUs will vest on December 1, 2024 - 8,250 RSUs will vest on December 1, 2025 - 3,750 RSUs will vest on December 1, 2026	18,000 RSUs forfeited as at March 31 and December 31, 2025	7,500 RSUs vested as at March 31, 2025 (3,750 common shares issued, 3,750 deferred) 11,250 RSUs vested as at December 31, 2025 (7,500 common shares issued, 3,750 deferred)
February 6, 2023	124,900	Directors, Employees, and Consultant	- 35,775 RSUs will vest on February 6, 2024 - 31,125 RSUs will vest on February 6, 2025 - 31,125 RSUs will vest on February 6, 2026 - 26,875 RSUs will vest on February 6, 2027	- 115,542 RSUs forfeited as at March 31 and December 31, 2025	31,025 RSUs vested as at March 31 and December 31, 2025 (18,525 common shares issued, 25,000 deferred)
September 20, 2023	200,000	Consultants	All RSUs will vest on September 20, 2024	Nil	200,000 RSUs vested as at March 31 and December 31, 2025 (200,000 common shares deferred)
December 7, 2023	225,000	Directors, Employees, and Consultants	- 95,000 RSUs will vest on December 7, 2024 - 65,000 RSUs will vest on December 7, 2025 - 65,000 RSUs will vest on December 7, 2026	- 61,667 RSUs forfeited as at March 31, 2025 - 85,000 RSUs forfeited as at December 31, 2025	90,000 RSUs vested as at March 31, 2025 (90,000 common shares deferred) 103,334 RSUs vested as at December 31, 2025 (11,667 common shares issued, 91,667 deferred)
February 7, 2024	37,500	Directors	37,500 RSUs will vest in 3 equal installments over 3 years, beginning on February 8, 2025	- 18,750 RSUs forfeited as at March 31, 2025 - 31,250 RSUs forfeited as at December 31, 2025	6,250 RSUs vested as at March 31 and December 31, 2025 (6,250 common shares deferred)
March 1, 2024 (Note 15)	50,000	Consultant	50,000 RSUs will fully vest on March 1, 2025	Nil	50,000 RSUs vested as at March 31 and December 31, 2025 (50,000 common shares deferred)

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The continuity of the Company's RSUs is as follows:

	Number outstanding
Outstanding at March 31, 2024	799,625
Vested and shares issued	(9,375)
Forfeited	(84,167)
Outstanding at March 31, 2025	706,083
Vested and shares issued	(21,042)
Forfeited	(35,833)
Outstanding at December 31, 2025	649,208

The estimated fair value of the RSUs granted during the nine months ended December 31, 2025 and 2024 was \$nil as no RSUs were granted and will be recognized as an expense over the vesting period of the RSUs. The fair value of the RSUs as at the grant date was determined with reference to the market value of the common shares of the Company at the grant date.

Total share-based compensation as a result of RSU grants during the nine months ended December 31, 2025 was \$13,780 (December 31, 2024 – \$126,539).

c) Warrants

On September 26, 2025, the Company completed the first tranche of its debt-to-equity conversion transaction and issued 1,869,581 share purchase warrants. Each warrant entitles the holder to purchase one common share at a price of \$2.50 per share until September 26, 2028. As the exercise price substantially exceeded the market price of the Company's common shares at the issuance date, the warrants were deep out-of-the-money and were assigned a fair value of \$nil, with the full value of the consideration allocated to the common shares.

On December 12, 2025, the Company completed the second tranche of its debt-to-equity conversion transaction and issued 320,000 share purchase warrants. Each warrant entitles the holder to purchase one common share at a price of \$2.50 per share until December 12, 2028. As the exercise price substantially exceeded the market price of the Company's common shares at the issuance date, the warrants were deep out-of-the-money and were assigned a fair value of \$nil, with the full value of the consideration allocated to the common shares.

No warrants were issued during the nine months ended December 31, 2024.

The fair value of the warrants issued during the nine months ended December 31, 2025 and 2024 was estimated using the Black Scholes Option Pricing model and the following weighted average assumptions:

	December 31, 2025	December 31, 2024
Risk-free interest rate	N/A	N/A
Expected life of warrants (years)	N/A	N/A
Expected annualized volatility	N/A	N/A
Expected dividend yield	N/A	N/A

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The continuity of the Company's warrants is as follows:

	Number outstanding	Weighted average exercise price
Outstanding at March 31, 2024	3,877,357	\$ 1.33
Expired	(279,904)	1.50
Outstanding at March 31, 2025	3,597,453	\$ 1.32
Granted	2,189,581	\$ 2.50
Outstanding at December 31, 2025	5,787,034	\$ 1.77

The number of warrants outstanding as at December 31, 2025 is as follows:

	Outstanding	Exercise price	Expiry date
Compensation Warrants	123,930	\$ 1.25	September 20, 2026
Private Placement Warrants	2,644,518	1.25	September 20, 2026
Finder's Warrants	500,000	2.00	September 20, 2026
Agent Warrants	329,005	0.85	September 20, 2026
Debt Settlement Warrants	1,869,581	2.50	September 26, 2028
Debt Settlement Warrants	320,000	2.50	December 12, 2028
Balance at December 31, 2025	5,787,034	\$ 1.77	

9. BASIC AND DILUTED NET INCOME (LOSS) PER SHARE

For the three months ended:

	December 31, 2025	December 31, 2024
Net income (loss) per share - basic	\$ 0.01	\$ (0.06)
- Income (losses) used in calculation of net income (loss) per share	\$ 185,790	\$ (1,540,511)
- Weighted average number of common shares used as the denominator in calculating basic net income (loss) per share	27,058,433	23,169,928

	December 31, 2025	December 31, 2024
Net income (loss) per share - diluted	\$ 0.01	\$ (0.06)
- Income (losses) used in calculation of net income (loss) per share	\$ 185,790	\$ (1,540,511)
- Weighted average number of common shares used as the denominator in calculating diluted net income (loss) per share	27,058,433	23,169,928

For the nine months ended:

	December 31, 2025	December 31, 2024
Net income (loss) per share - basic	\$ 0.13*	\$ (0.19)
- Income (losses) used in calculation of net income (loss) per share	\$ 3,235,926	\$ (4,513,217)
- Weighted average number of common shares used as the denominator in calculating basic and diluted net income (loss) per share	24,527,623	23,161,112

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	December 31, 2025	December 31, 2024
Net income (loss) per share - diluted	\$ 0.13*	\$ (0.19)
- Income (losses) used in calculation of net income (loss) per share	\$ 3,642,740	\$ (4,513,217)
- Weighted average number of common shares used as the denominator in calculating basic and diluted net income (loss) per share	27,721,467	23,161,112

* Diluted income per share includes the effect of additional shares from potentially dilutive securities; however, the impact was not material and both basic and diluted income per share are \$0.13 after rounding.

The calculation of diluted income per share for the periods presented includes the potential dilution arising from the assumed conversion of the Company's outstanding convertible debentures and the impact of deferred RSUs. These instruments have been included in the weighted average number of shares used for the diluted income per share calculation and the net income has been adjusted for any interest or other effects of the convertible debentures. The Company's stock options and warrants were excluded from the determination of diluted income per share because the effect is anti-dilutive.

10. CAPITAL DISCLOSURES

As at December 31, 2025, the Company's capital structure is comprised of shareholders' deficit, other loans, convertible debentures, Term Facility and vendor take-back note totaling (\$2,814,018) (March 31, 2025 – (\$3,158,271)). The Company's financial strategy is designed and formulated to maintain a flexible capital structure to allow for the ability to respond to changes in economic conditions and the risk characteristics of the underlying assets. The Company's primary objectives, when managing its capital, are to maintain adequate levels of funding to support the operations of the Company and to maintain corporate and administrative functions.

The capital structure of the Company is managed to provide sufficient funding for operating activities. Funds are primarily secured through a combination of equity capital raises and debt. The Company's financing and refinancing decisions are made on a specific transaction basis and depend on factors such as its needs, market and economic conditions at the time of transaction. There were no changes in the Company's approach to capital management during the period. The Company is exposed to externally imposed capital requirements from its Term Facility (Note 19).

11. FINANCIAL RISK MANAGEMENT

The Company is exposed to certain financial risks as listed below. There has been no change in the exposure to risk, nor its objectives, policies and process for managing the risk in the nine months ended December 31, 2025. Disclosures relating to exposure to risks, in particular credit risk, liquidity risk and interest rate risk are provided below.

Credit risk

Credit risk is the risk of unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's financial instruments that are exposed to concentrations of credit risk are primarily cash and receivables. The Company limits its exposure to credit risk with respect to cash by depositing available cash with major regulated financial institutions. The Company's cash is not subject to any external restrictions.

As at December 31, 2025, the Company's receivables were all current. The Company mitigates the risk by performing ongoing credit evaluation of its customers' financial condition. The Company monitors collectability of receivables on an ongoing basis to determine credit risk. As at December 31, 2025 and March 31, 2025, the Company has \$nil in allowance for doubtful accounts.

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Liquidity risk

As at December 31, 2025, the Company had bank indebtedness of \$112,543 and other current liabilities of \$22,727,592. The Company expects to finance its operating expenses through cash flow from operations, debt as well as equity financing.

The estimated cash payments due in respect of contractual and legal obligations including debt and interest payments are summarized as follows:

	Maturity			Total
	Within 1 year	1-5 years	Greater than 5 years	
Bank indebtedness	\$ 112,543	\$ -	\$ -	\$ 112,543
Trade payable and accrued liabilities	8,169,913	-	-	8,169,913
Customer deposits	302,625	-	-	302,625
Equipment deposit	399,908	-	-	399,908
Lease obligation	2,039,952	5,036,463	5,786,377	12,862,792
Other loans	2,615,202	-	-	2,615,202
Promissory notes	96,350	-	-	96,350
Convertible debentures	2,165,576	-	-	2,165,576
Term facility	4,908,493	-	-	4,908,493
Vendor take-back note	1,500,000	-	-	1,500,000
	\$ 22,310,562	\$ 5,036,463	\$ 5,786,377	\$ 33,133,402

Interest rate risk

Interest rate risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company continuously monitors interest rates and economic conditions. At December 31, 2025, the Company is exposed to interest rate risk regarding its variable rate loans (Notes 15 and 19) with outstanding balances totaling \$5,474,319. A 1% change in the interest rate on the loans would have a pre-tax impact of \$54,743 on net income (loss) for the period.

12. RELATED PARTY TRANSACTIONS

a. Loans from shareholders

- As at December 31, 2025, the Company had amounts due to the Company's former CEO of \$1,440 (March 31, 2025 – \$1,242), \$79,527 of this balance is due from the former CEO and included in loans to shareholders, while \$80,967 is due to the former CEO for unpaid salaries and included in trade payables and accrued liabilities. These balances are unsecured, non-interest bearing and due on demand.
- As at December 31, 2025, the Company had amounts due to the Company's interim CEO/COO and a company controlled by the interim CEO/COO of \$499,436 (March 31, 2025 – \$ 525,652), of which \$425,436 is included in loans from shareholders, and \$74,000 is due to the interim CEO/COO for unpaid salaries and included in trade payables and accrued liabilities. These balances are unsecured, non-interest bearing and due on demand.

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- As at December 31, 2025, the Company had amounts due to the Company's former CMO of \$89,889 (March 31, 2025 – \$89,889), of which \$28,852 is included in loans from shareholders, and \$61,037 is for unpaid salaries and included in trade payables and accrued liabilities. These balances are unsecured, non-interest bearing and due on demand.

b. Key management compensation

For the nine months ended December 31, 2025, the Company recorded \$98,250 (December 31, 2024 – \$368,125) in key management compensation to the Company's former CEO, Interim CEO/ COO, former CFO, current CFO and former CMO.

c. Share-based compensation to related parties

As at December 31, 2025, 185,000 stock options granted to the Company's directors were outstanding. Each stock option entitles the holder to purchase one common share at an exercise price between \$0.55 and \$2.00 for a period of five years following the grant date. The fair value of the options granted totaled \$169,652 (December 31, 2024 - \$169,652) of which \$15,170 was recognized as share-based compensation during the nine months ended December 31, 2025 (December 31, 2024 - \$ 33,075).

13. CUSTOMER DEPOSITS

At inception of a contract, a commissary customer is required to pay a deposit. One-half of each deposit is applied to the first month rent of the term; and the remainder of the deposit is kept as security for the underlying contract and is refundable at the end of the term. The contracts are short-term and as such, the deposits are classified as a current liability. Details are as follows:

	December 31, 2025	March 31, 2025
Opening Balance	\$ 308,110	\$ 346,195
Additions (net of refunds)	(5,485)	(38,085)
Closing balance	\$ 302,625	\$ 308,110

14. EQUIPMENT DEPOSIT

On September 1, 2023, the Company entered into a facilities management agreement (the "Agreement") with Sodexo Canada ("Sodexo"). Under the Agreement, Sodexo will provide the Company with facilities management services for a period of five years, terminating on August 31, 2028. As part of the "Agreement", Sodexo paid the Company an equipment deposit of \$399,908, to be applied against equipment purchases at the Company's Richmond, BC facility. During the nine months ended December 31, 2025, the Company did not make any equipment purchases at its Richmond, BC facility. As at December 31, 2025, the balance on the equipment deposit is \$399,908 (March 31, 2025 - \$399,908) with no specified timeframe for when the purchase will be completed.

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15. OTHER LOANS

The table and references below summarize the Company's other loan balances and key terms as at December 31, 2025 and March 31, 2025:

Loan Ref.	Balance as at December 31, 2025	Balance as at March 31, 2025
a.	-	17,708
b.	119,552	120,000
c.	-	324,275
d.	446,274	1,304,800
e.	64,800	64,800
f.	80,690	89,221
g.	-	528,818
h.	52,091	52,091
i.	-	757,066
j.	38,362	36,437
k.	133,148	227,210
l.	675,000	560,000
m.	-	610,000
n.	-	60,212
o.	-	260,000
p.	46,992	43,978
q.	203,432	190,247
r.	-	661
s.	614,000	537,500
t.	77,861	112,233
u.	-	73,580
v.	63,000	63,000
	\$ 2,615,202	\$ 6,033,837
Current portion	\$ (2,615,202)	\$ (5,701,287)
Non-current portion	\$ -	\$ 332,550

- a. On February 5, 2020, the Company entered into a loan agreement with the Business Development Bank of Canada ("BDC") to borrow up to \$200,000 with a maturity date of November 23, 2026. The loan carries a base interest rate of 10.90% plus the BDC's floating rate which was deemed to be 6.05% at the time of issuance. During the nine months ended December 31, 2025, the Company recorded \$Nil (December 31, 2024 - \$4,905) in interest expense in connection to the loan and repaid \$17,708 (December 31, 2024 - \$75,750). As at December 31, 2025, the remaining balance due is \$Nil (March 31, 2025 - \$17,708).
- b. During the year ended December 31, 2020, under the Canada Emergency Business Account ("CEBA") program, the Company received \$180,000 in loans (the "CEBA Loans"). The CEBA Loans are interest-free loans, available to the Company until January 18, 2024. \$60,000 of the loans are forgivable if repayment is made on or before March 31, 2024. During the year ended December 31, 2020 the Company recognized \$60,000 as other income in relation to the forgivable portion of the loans. No interest expense was recorded on the CEBA Loans during the nine months ended December 31, 2025 and 2024. During the nine months ended December 31, 2025 the Company repaid \$448 (December 31, 2024-\$Nil). As at December 31, 2025, the remaining balance due is \$119,552 (March 31, 2025 - \$120,000).

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- c. On January 1, 2022, the Company borrowed \$500,000 from consultants, acting at arm's length. The loans are unsecured and non-interest bearing. The loans are repayable on an annual basis commencing January 10, 2023, and due on January 10, 2027. In the event of a default, a 7% interest rate will apply to the outstanding loan balance. In lieu of interest payments, the consultants received 50,000 stock options. Each stock option entitles the holder to purchase one common share at an exercise price of \$2.00 for a period of five years following the grant date. The Company recorded the debt at its fair value using a rate of 15% and the residual was allocated to the value of the stock options and recorded to Other Reserves. During the nine months ended December 31, 2025, the Company repaid \$Nil of the loans. During the nine months ended December 31, 2025, the Company recorded \$29,911 (December 31, 2024 - \$30,145) in accretion expense in connection to the non-interest bearing loans. On September 26, 2025, the Company settled these loan balances amounting to \$354,186 through the issuance of 411,692 common shares and 205,846 share purchase warrants. The common shares were valued at \$18,526 and \$Nil was allocated to the share purchase warrants. A gain of \$335,660 was recognized in profit and loss in connection with this settlement. As at December 31, 2025, the carrying value of the loans outstanding was \$Nil (March 31, 2025 - \$324,275).
- d. On May 13, 2022, the Company entered into a loan agreement to borrow up to \$1,300,000 (the "Facility"). On May 27, 2022, \$754,920 of the Facility was used to repay the Company's Vancity Credit Facilities of \$627,424 and operating loan of \$127,496. The Company has the right to repay the Facility at any time before the maturity date, without notice, bonus or penalty. The Facility carries an interest rate of prime +3.00% per annum (compounded monthly, not in advance) and has a term of 18 months. Interest is paid monthly through the interest reserve of \$120,900 that is retained by the provider. On July 11, 2023, an additional \$288,308 was disbursed to the Company under the Facility. The Facility is guaranteed by certain subsidiaries of the Company and also guaranteed personally by the Company's former CEO, interim CEO/COO and former CMO. In the event of a default, an interest rate of 18% per annum will apply to the Facility. During the nine months ended December 31, 2025, the Company recorded \$139,709 (December 31, 2024 - \$159,004) in interest expense in connection to the Facility. On September 26, 2025, \$998,235 of this loan balance was settled through the issuance of 1,225,106 common shares and 612,553 share purchase warrants. The common shares were valued at \$55,129 and \$Nil was allocated to the share purchase warrants. A gain on settlement of \$943,105 was recognized in profit and loss in connection with this settlement. During the nine months ended December 31, 2025, the Company repaid a total of \$Nil of the Facility (December 31, 2024 - \$Nil). As at December 31, 2025, the remaining balance due was \$446,274 (March 31, 2025 - \$1,304,800).
- e. On October 31, 2022, the Company borrowed \$60,000 from a lender, acting at arm's length. The loan bears interest at a rate of 8% per annum and is unsecured. During the nine months ended December 31, 2025, the Company recorded \$nil (December 31, 2024 - \$nil) in interest expense in connection to the loan. As at December 31, 2025, the remaining balance due was \$64,800 (March 31, 2025 - \$64,800).
- f. On July 28, 2023, the Company borrowed \$173,400 from a lender, acting at arm's length. The loan is unsecured and a loan fee of \$20,808 was applied to the principal amount. The loan is repaid daily with 20% of the Company's retail revenue and was due on January 28, 2025. During the nine months ended December 31, 2025, the Company repaid \$8,531 of the loan (December 31, 2024 - \$nil). As at December 31, 2025, the remaining balance due was \$80,690 (March 31, 2025 - \$89,221).

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- g. On August 11, 2023, the Company borrowed \$500,000 from a lender, acting at arm's length. The loan bears interest at a rate of 10% per annum, unsecured, and has a maturity date of November 15, 2023. On November 27, 2023, the maturity date was extended to May 1, 2025. During the nine months ended December 31, 2025, the Company recorded \$35,068 (December 31, 2024 - \$25,675) in interest expense in connection to the loan. On December 12, 2025, \$563,886 of this loan balance was settled through the issuance of 440,000 common shares and 220,000 share purchase warrants. The common shares were valued at \$48,400 and \$Nil was allocated to the share purchase warrants. A gain on settlement of \$515,486 was recognized in profit and loss in connection with this settlement. During the nine months ended December 31, 2025, the Company repaid \$nil of the loan (December 31, 2024- \$12,549). As at December 31, 2025, the remaining balance due was \$Nil (March 31, 2025 - \$528,818).
- h. On September 20, 2023, in connection to the Acquisition of Purebread Bakery, the Company assumed a loan with an outstanding amount of \$61,609 related to the purchase of a delivery vehicle. The loan commenced on May 22, 2022 with a term of 60 months, interest rate at 5% per annum, and repayments paid monthly. The loan is secured against the delivery vehicle. During the nine months ended December 31, 2025, the Company recorded \$nil (December 31, 2024 - \$nil) in interest expense in connection to the loan. During the nine months ended December 31, 2025, the Company repaid \$nil of the loan (December 31, 2024 - \$nil). As at December 31, 2025, the remaining balance due was \$52,091 (March 31, 2025 - \$52,091).
- i. On November 8, 2023, the Company borrowed \$500,000 from a lender, acting at arm's length. The loan is unsecured, bears interest at a rate of 12% per annum (compounded monthly), and has a term of 18 months. An additional \$150,000 and \$150,000 on April 30, 2024 and May 31, 2024, respectively, were advanced to the Company. During the nine months ended December 31, 2025, the Company recorded \$45,659 (December 31, 2024- \$60,978) in interest expense in connection to the loan. On September 26, 2025, \$802,725 of this loan balance was settled through the issuance of 676,630 common shares and 338,165 share purchase warrants. The common shares were valued at \$30,435 and \$Nil was allocated to the share purchase warrants. A gain on settlement of \$772,290 was recognized in profit and loss in connection with this settlement. During the nine months ended December 31, 2025, the Company repaid \$Nil of the loan (December 31, 2024 - \$150,000). As at December 31, 2025, the remaining balance due was \$Nil (March 31, 2025 - \$757,066).
- j. On December 20, 2023, the Company borrowed \$34,000 from a lender, acting at arm's length. The loan is unsecured and a loan fee of \$4,420 was applied to the principal amount giving a total amount due of \$38,420. An additional \$46,000 and \$37,000 on May 28, 2024 and December 19, 2024, respectively, were advanced to the Company with loan fees of \$5,980 and \$4,810 giving total amounts due of \$51,980 and \$41,810 respectively. Repayment in each case is made daily at 25% of the Company's e-commerce revenue until the total amount due is settled. During the nine months ended December 31, 2025, the Company received a further \$60,000 and repaid \$58,075 of the loan (December 31, 2024- \$62,661). As at December 31, 2025, the remaining balance due was \$38,362 (March 31, 2025 - \$36,437).
- k. On December 22, 2023, the Company borrowed \$240,000 from a lender, acting at arm's length. The loan is unsecured, bears interest at a rate of 10% per annum, and has a term of 18 months. During the nine months ended December 31, 2025, the Company recorded \$20,938 (December 31, 2024- \$18,083) in interest expense in connection to the loan. On December 12, 2025, \$250,000 of this loan balance was settled through the issuance of 200,000 common shares and 100,000 share purchase warrants. The common shares were valued at \$22,000 and \$Nil was allocated to the share purchase warrants. A gain on settlement of

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\$228,000 was recognized in profit and loss in connection with this settlement. During the nine months ended December 31, 2025, the Company received further advances of \$1,035,000 (December 31, 2024- \$Nil) and repaid \$900,000 of the loan (December 31, 2024- \$36,816). As at December 31, 2025, the remaining balance due was \$133,148 (March 31, 2025 - \$227,210).

- i. On December 22, 2023, the Company borrowed \$500,000 from a lender, acting at arm's length. The loan is secured against common shares issued to the Company's former CEO and interim CEO/COO, and bears interest at a rate of 3% per month. During the nine months ended December 31, 2025, the Company recorded \$135,000 (December 31, 2024 - \$135,000) in interest expense in connection to the loan. During the nine months ended December 31, 2025, the Company repaid \$20,000 of the loan (December 31, 2024 - \$135,000). As at December 31, 2025, the remaining balance due was \$675,000 (March 31, 2025 - \$560,000).
- m. On February 7, 2024, the Company borrowed \$450,000 from a lender, acting at arm's length. The loan is unsecured, non-interest bearing, and was due on May 7, 2024. Under the terms of the loan agreement, 33,400 shares are to be issued to the lender for each month that the loan remains outstanding. As at December 31, 2025, an amount of \$207,080 has been recognized in equity in respect of shares to be issued. In the event of a default, a monthly payment of \$15,000 in service fees will apply. The Company recorded the debt at its fair value of \$416,628 using a rate of 14.55% and the residual of \$33,372 was allocated to the value of the interest-free portion and recorded to Other Reserves. During the nine months ended December 31, 2025, the Company repaid \$Nil of the loans (December 31, 2024 - \$50,000). During the nine months ended December 31, 2025, the Company recorded \$nil (December 31, 2024 - \$23,805) in accretion expense in connection to the non-interest-bearing loans. The Company also recorded \$210,000 in service fees during the year ended March 31, 2025 (March 31, 2024-\$Nil). On September 26, 2025, this loan balance amounting to \$610,000 was settled through the issuance of 474,714 common shares and 237,357 share purchase warrants. The common shares were valued at \$21,362 and \$Nil was allocated to the share purchase warrants. A gain on settlement of \$588,638 was recognized in profit and loss in connection with this settlement. As at December 31, 2025, the carrying value of the loans outstanding was \$Nil (March 31, 2025 - \$610,000).
- n. On February 23, 2024, the Company borrowed \$100,000 from lenders, acting at arm's length. The loan is unsecured, bears interest at a rate of 15% per annum, and has a term of 12 months. On September 26, 2025, this loan balance amounting to was settled through the issuance of 112,880 common shares and 56,440 share purchase warrants. The common shares were valued at \$5,080 and \$Nil was allocated to the share purchase warrants. A gain on settlement of \$62,632 was recognized in profit and loss in connection with this settlement. During the nine months ended December 31, 2025, the Company recorded \$7,500 (December 31, 2024 - \$11,250) in interest expense in connection to the loan and repaid \$Nil of the loan (December 31, 2024 - \$56,038). As at December 31, 2025, the remaining balance due was \$Nil (March 31, 2025 - \$60,212).
- o. On March 1, 2024, the Company borrowed \$250,000 from a lender, acting at arm's length. The loan is unsecured, bears interest at a rate of 12% per annum, and has a maturity date of November 1, 2024. In connection with the loan, the Company granted 50,000 RSUs to the lender which will fully vested on March 1, 2025 (Note 8). During the nine months ended December 31, 2025, the Company recorded \$14,667 (December 31, 2024 - \$22,500) in interest expense in connection to the loan. On September 26, 2025, this loan balance amounting to \$274,667 was settled through the issuance of 206,638 common shares and 103,469 share purchase warrants. The common shares were valued at \$9,312 and \$Nil was allocated to

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the share purchase warrants. A gain on settlement of \$265,355 was recognized in profit and loss in connection with this settlement. During the nine months ended December 31, 2025, the Company repaid \$Nil of the loan (December 31, 2024 - \$26,250). As at December 31, 2025, the remaining balance due was \$Nil (March 31, 2025 - \$260,000).

- p. On April 2, 2024, the Company borrowed \$40,000 from a lender, acting at arm's length. The loan bears interest at a rate of 10% per annum, is unsecured, and has a maturity date of April 1, 2025. During the nine months ended December 31, 2025, the Company recorded \$3,014 (December 31, 2024 - \$2,992) in interest expense in connection to the loan. During the nine months ended December 31, 2025, the Company repaid \$nil (December 31, 2024 - \$nil) of the loan. As at December 31, 2025, the remaining balance due was \$46,992 (March 31, 2025 - \$43,978).
- q. On May 9, 2024, the Company borrowed \$125,000 from a lender, acting at arm's length. On June 6, 2024, the Company borrowed an additional \$50,000 from this lender. The loan bears interest at a rate of 10% per annum, is unsecured, and has a maturity date of May 8, 2025. During the nine months ended December 31, 2025, the Company recorded \$13,185 (December 31, 2024 - \$10,933) in interest expense in connection to the loan. During the nine months ended December 31, 2025, the Company repaid \$nil (December 31, 2024 - \$nil) of the loan. As at December 31, 2025, the remaining balance due was \$203,432 (March 31, 2025 - \$190,247).
- r. On May 9, 2024, the Company borrowed \$50,000 from a lender, acting at arm's length. An additional \$50,000, \$50,000, \$120,000, \$85,000, and \$100,000 on May 22, 2024, May 31, 2024, June 7, 2024, July 18, 2024 and August 19, 2024, respectively, were advanced to the Company. The Company incurred lender's fees amounting to \$35,000 and the loan bears interest at a rate of 4% per month. The loan is unsecured, and had a maturity date of December 2, 2024. The Company also incurred lenders' fees amounting to \$35,000. During the nine months ended December 31, 2025, the Company recorded \$nil (December 31, 2024 - \$4,732) in interest expense in connection to the loan. On September 26, 2025, the Company settled this loan balance amounting to \$661 and an accounts payable balance of \$115,500 relating to the lender through the issuance of 126,400 common shares and 63,200 share purchase warrants. The common shares were valued at \$5,688 and \$Nil was allocated to the share purchase warrants. A gain of \$110,473 was recognized in profit and loss in connection with this settlement. During the nine months ended December 31, 2025, the Company repaid \$nil (December 31, 2024 - \$456,195) of the loan. As at December 31, 2025, the remaining balance due was \$Nil (March 31, 2025 - \$661).
- s. On June 17, 2024, the Company borrowed \$500,000 from a lender, acting at arm's length. The loan is unsecured and accrues a monthly service fee of \$12,500. During the nine months ended December 31, 2025, the Company repaid \$36,000 of the loan (December 31, 2024 - \$25,000). As at December 31, 2025, the carrying value of the loan outstanding was \$614,000 (March 31, 2025 - \$537,500). During the nine months ended December 31, 2025, the Company recorded \$112,500 (December 31, 2024 - \$nil) in service fees in connection with this loan.
- t. On June 19, 2024, the Company borrowed \$150,000 from a lender, acting at arm's length with a weekly repayment of \$8,299. An additional \$116,191, \$79,057, and \$104,251 on August 26, 2024, October 23, 2024, and December 20, 2024, respectively, were advanced to the Company. The loan requires a daily payment of \$2,895 for a period of 120 days and is secured against the Company's future receivables. During the nine months ended December 31, 2025, the Company incurred \$28,628 (December 31, 2024 - \$nil) in accretion expense in connection to the loan and repaid \$63,000 (December 31, 2024 - \$323,761).

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of the loan. As at December 31, 2025, the remaining balance due was \$77,861 (March 31, 2025 - \$112,233).

- u. On September 12, 2024, the Company borrowed \$70,000 from a lender, acting at arm's length. The loan is unsecured, bears interest at a rate of 10% per annum, and had a term of 2 months. During the nine months ended December 31, 2025, the Company recorded \$3,433 (December 31, 2024 - \$2,110) in interest expense in connection to the loan. On September 26, 2025, this loan balance amounting to \$77,269 was settled through the issuance of 65,102 common shares and 32,551 share purchase warrants. The common shares were valued at \$2,930 and \$Nil was allocated to the share purchase warrants. A gain on settlement of \$74,339 was recognized in profit and loss in connection with this settlement. During the nine months ended December 31, 2025, the Company repaid \$nil of the loan (December 31, 2024 - \$nil). As at December 31, 2025, the remaining balance due was \$Nil (March 31, 2025 - \$73,836).
- v. On December 5, 2024, the Company borrowed \$63,000 from a lender, acting at arm's length. The loan is unsecured, non-interest bearing, and due on demand. During the nine months ended December 31, 2025, the Company repaid \$nil of the loan (December 31, 2024 - \$nil). As at December 31, 2025, the carrying value of the loan outstanding was \$63,000 (March 31, 2025 - \$63,000). During the nine months ended December 31, 2025, the Company recorded \$nil (December 31, 2024 - \$nil) in accretion expense in connection to the non-interest-bearing loan.

16. PROMISSORY NOTES

On January 31, 2024, the Company borrowed a total of \$500,000 via promissory notes from two lenders, acting at arm's length. The promissory notes are secured against common shares issued to the Company's former CEO and interim CEO/COO, bears interest at a rate of 36% per annum, and has a maturity date of April 1, 2024. On July 23, 2024, the maturity date of the promissory notes were extended to September 1, 2024. On September 26, 2025, \$638,000 of this promissory notes balance was settled through the issuance of 440,000 common shares and 220,000 share purchase warrants. The common shares were valued at \$19,800 and \$Nil was allocated to the share purchase warrants. A gain on settlement of \$618,200 was recognized in profit and loss in connection with this settlement.

On April 2, 2024, the Company borrowed \$100,000 from a lender, acting at arm's length. The promissory note is guaranteed personally by the Company's former CEO and interim CEO/COO, bears interest at a rate of prime plus 5% per annum, and had a maturity date of September 2, 2024.

During the nine months ended December 31, 2025, the Company recorded \$99,150 (December 31, 2024 - \$144,150) in interest expense in connection to the promissory notes. During the nine months ended December 31, 2025, the Company repaid \$nil of the promissory notes (December 31, 2024 - \$160,000). As at December 31, 2025, the remaining balance due is \$96,350 (March 31, 2025 - \$635,200).

17. CONVERTIBLE DEBENTURES

On May 24, 2023, the Company completed a non-brokered private placement for gross proceeds of \$1,650,000 (the "Offering"). The Offering was a non-brokered private placement of 1,650 convertible debentures of the Company (the "CAD Convertible Debentures"), at a price of \$1,000 per CAD Convertible Debenture, for gross proceeds of \$1,650,000. There were no finder, broker, or agent fees payable by the Company in connection with the Offering. The CAD Convertible Debentures bear interest at a rate of 8% per annum, calculated and payable semi-annually in arrears, commencing on June 30, 2023. The CAD Convertible Debentures will mature on March 31, 2026. The principal amount of each CAD Convertible Debenture will be convertible into common shares of the

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Company at a price of \$0.75 per common share at the option of the holder thereof. At the election of the Company, all interest accrued on the CAD Convertible Debentures may be payable in cash or, subject to approval by the TSXV, common shares issued at the market price (as such term as defined in the policies of the TSXV) at the time of any such settlement.

For accounting purposes, the CAD Convertible Debentures are separated into their liability and equity components by first valuing the liability component. The fair value of the liability component at the time of issue of \$1,340,208, was calculated as the discounted cash flows for the CAD Convertible Debentures assuming a 16.14% discount rate, which was the estimated rate for a similar debenture without a conversion feature. The fair value of the equity component (conversion feature) was determined at the time of issue as the difference between the face value of the CAD Convertible Debentures and the fair value of the liability component, being \$309,792. The liability component will be accreted over the life of the CAD Convertible Debentures. During the nine months ended December 31, 2025, the Company recorded interest expense of \$99,452 (December 31, 2024 - \$99,451) and accretion expense of \$191,563 (December 31, 2024 - \$177,838) in connection to the CAD Convertible Debentures. As at December 31, 2025, the remaining balance due is \$1,617,336 (March 31, 2025 - \$1,525,225). As at December 31, 2025, interest payable on the CAD Convertible Debentures is \$345,370 (March 31, 2025 - \$245,918) and recorded in trade payables and accrued liabilities.

On December 22, 2023, the Company issued convertible debentures for gross proceeds of \$530,223 (\$400,000 USD) (the “USD Convertible Debentures”). The USD Convertible Debentures bear interest at a rate of 10.5% per annum, calculated and payable quarterly in arrears, commencing on March 22, 2024. The USD Convertible Debentures will mature on December 22, 2025. The principal amount of each USD Convertible Debenture will be convertible into common shares of the Company at a price of \$1.25 per common share at the option of the holder thereof. At the election of the Company, all interest accrued on the USD Convertible Debentures may be payable in cash or, subject to approval by the TSXV, common shares equal to the 20-day volume weighted average price of the Company’s common shares for the 20 trading days prior to the payment date of the interest payment.

On issuance, the Company determined the conversion feature of the USD Convertible Debentures was a derivative liability of \$64,578 (Note 18), with the residual of \$465,644 being allocated to the liability component. The liability component will be accreted over the life of the USD Convertible Debentures. During the nine months ended December 31, 2025, the Company recorded interest expense of \$43,837 (December 31, 2024 – \$42,308), accretion expense of \$71,962 (December 31, 2024 - \$65,118), and a foreign exchange translation gain of \$25,742 (December 31, 2024 – foreign exchange translation loss of \$31,653) in connection to the USD Convertible Debentures. As at December 31, 2025, the remaining balance due is \$548,240 (March 31, 2025 – \$545,857). As at December 31, 2025, interest payable on the USD Convertible Debentures is \$116,828 (March 31, 2025 - \$72,990) and recorded in trade payables and accrued liabilities. Subsequent to December 31, 2025, the Company completed a debt-to-equity conversion transaction and issued 532,322 common shares to settle the USD Convertible Debentures in full (Note 23).

18. DERIVATIVE LIABILITY

The following table reflects the continuity of derivative liability from March 31, 2024 to December 31, 2025:

Balance as at March 31, 2024, March 31, 2025 and December 31, 2025	\$ 64,578
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There were no changes in the fair value of the derivative liability as at December 31, 2025 and March 31, 2025.

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19. TERM FACILITY

On September 20, 2023, the Company entered into a letter of agreement with the Bank of Montreal (“BMO” or the “Lender”), setting out the terms under which BMO provided a senior secured \$5,500,000 non-revolving term facility (the “Term Facility”) to the Company and is repayable on demand. The Term Facility was used to finance a portion of the cash consideration of the acquisition of Purebread Bakery. The Term Facility is secured by a first ranking security interest over all present and after-acquired personal property of Coho Acquisition Corp., which holds all of the issued and outstanding shares of Purebread Bakery. The Term Facility amortizes over an 84-month period, with repayments on a monthly basis. Monthly principal repayments are calculated as a percentage of the original loan amount, based on the following payment schedule:

- Years 1 to 3 – 12.0% annually plus applicable interest and mandatory repayments
- Years 4 to 5 – 15.0% annually plus applicable interest and mandatory repayments
- Year 6 – 16.0% annually plus applicable interest and mandatory repayments
- Year 7 – 18.0% annually plus applicable interest and mandatory repayments

Interest on the Term Facility is payable monthly in arrears and the interest rate is determined by the ratio of the Company’s total funded debt (“TFD”) to earnings before interest, taxes, depreciation and amortization (“EBITDA”). At the end of each reporting quarter, the TFD to EBITDA ratio is calculated and agreed upon by the Company and BMO, and the applicable interest rate is determined by an interest rate grid. The interest rate grid is divided into predetermined ranges of the TFD to EBITDA ratio, and provides the applicable interest rate on the Term Facility, calculated as prime plus a margin for the corresponding predetermined range. The interest rate does not exceed BMO prime plus 2.0%.

The Term Facility is subject to a cash flow sweep whereby mandatory repayments are required on an annual basis, calculated as a percentage of free cash flow after debt repayment at the end of each fiscal year. The cash flow sweep remains in effect unless the Company’s TFD to EBITDA ratio is reduced to 2.5:1.0 or below.

During the nine months ended December 31, 2025, the Company recorded \$265,917 (December 31, 2024 - \$307,415) in interest expense in connection to the Term Facility, repaid interest of \$100,000 (December 31, 2024 - \$280,515), and repaid principal of \$nil (December 31, 2024 - \$523,809). As at December 31, 2025, the remaining balance due is \$4,908,493 (March 31, 2025 - \$4,742,577).

During the nine months ended December 31, 2025, the Company received a demand letter from BMO for immediate repayment of approximately \$5,209,930 under an existing credit agreement. BMO also issued a Notice of Intention to Enforce Security under the Bankruptcy and Insolvency Act (Canada), giving BMO the right to enforce its security against assets of Purebread Bakery starting October 14, 2025, unless consent is given for earlier action.

Subsequent to December 31, 2025, the obligation was assigned to a third-party investor and the terms remained the same (Note 23).

20. VENDOR TAKE-BACK NOTE

On September 20, 2023, the Company entered into a vendor take-back agreement (the “VTB”) to finance a portion of the cash consideration of the acquisition of Purebread Bakery, whereby the Company became indebted to the vendors of Purebread Bakery in the principal sum of \$1,500,000. The VTB is subordinated to the BMO Term Facility and has a maturity date of September 20, 2025. Commencing on September 21, 2023, the VTB bears interest computed on the outstanding daily principal balance of the VTB, payable quarterly, at the rate of:

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- a. 10% per annum for 12 months up to September 20, 2024;
- b. 15% per annum for six months up to March 20, 2025; and
- c. 20% per annum for six months up to September 20, 2025.

During the nine months ended December 31, 2025, the Company recorded \$150,000 (December 31, 2024 - \$112,500) in interest expense in connection to the VTB and repaid interest of \$nil (December 31, 2024 - \$nil). As at December 31, 2025, the remaining balance due was \$1,500,000 (March 31, 2025 - \$1,500,000).

21. INCOME TAXES

Income tax expense is recognized at an amount determined by multiplying the profit (loss) before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognized in full in the interim period. As such, the effective tax rate in the condensed consolidated interim financial statements may differ from management's estimate of the effective tax rate for the consolidated annual financial statements.

The Company's consolidated effective tax rate in respect of continuing operations for the nine months December 31, 2025 was 27% (December 31, 2024 – 27%).

22. SEGMENTED INFORMATION

For management purposes, the Company is organized into operating segments based on its products and services. Two operating segments have been identified. These segments have been aggregated into two reportable segments: rental and retail. The rental segment includes revenue generated from renting out commercial kitchen spaces and providing associated business support services to food entrepreneurs and companies. The retail segment includes revenue generated from the sale of baked goods and other food items at the Company's Purebread Bakery locations.

The Company monitors the results of its operating segments separately for making decisions about resource allocation and performance assessment. Segment performance is evaluated on a number of measures, the most significant being revenue, gross profit and net income (loss). Information for the Company's segments for the nine months ended December 31, 2025 and 2024, including the reconciliation to net income (loss), is provided in the following tables:

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	Rental	Retail	Corporate	Total
REVENUE	\$ 450,321	\$ 3,085,048	\$ -	\$ 3,535,369
COST OF SALES	-	1,247,345	-	1,247,345
GROSS PROFIT	450,321	1,837,703	-	2,288,024
OPERATING EXPENSES				
Advertising and promotion	2,187	42,229	-	44,416
Amortization	69,300	210,632	-	279,932
Accretion	-	8,460	89,733	98,193
Interest	113,610	151,898	228,117	493,625
Occupancy cost	118,095	227,526	-	345,621
Office and miscellaneous	52,496	94,097	3,925	150,518
Professional fees	-	114,238	232,014	346,252
Salaries and benefits	60,238	686,649	125,982	872,869
Share-based compensation	-	-	10,997	10,997
Subcontractor	1,069	30,858	1,143	33,070
Supplies	53,933	114,133	2,161	170,227
TOTAL OPERATING EXPENSES	470,928	1,680,720	694,072	2,845,720
NET OPERATING INCOME (LOSS)	\$ (20,607)	\$ 156,983	\$ (694,072)	\$ (557,696)
OTHER ITEMS				
Gain on debt-to-equity settlement	-	-	743,486	743,486
NET INCOME (LOSS)	\$ (20,607)	\$ 156,983	\$ 49,414	\$ 185,790

PUREBREAD BRANDS INC. (FORMERLY COHO COLLECTIVE KITCHENS INC.)**Notes to the Condensed Consolidated Interim Financial Statements**

For the three and nine months ended December 31, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars)

For the three months ended December 31, 2024

	Rental	Retail	Corporate	Total
REVENUE	\$ 565,907	\$ 3,171,453	\$ -	\$ 3,737,360
COST OF SALES	-	1,428,944	-	1,428,944
GROSS PROFIT	<u>565,907</u>	<u>1,742,509</u>	<u>-</u>	<u>2,308,416</u>
OPERATING EXPENSES				
Advertising and promotion	-	2,758	338	3,096
Amortization	269,285	212,700	8,172	490,157
Accretion	-	-	93,525	93,525
Interest	161,947	206,754	328,733	697,434
Occupancy cost	171,063	235,569	344	406,976
Office and miscellaneous	46,814	99,455	37,140	183,409
Professional fees	-	28,721	130,468	159,189
Salaries and benefits	62,683	839,717	197,843	1,100,243
Share-based compensation	-	-	47,966	47,966
Subcontractor	1,252	29,274	2,378	32,904
Supplies	39,212	112,228	4,838	156,278
TOTAL OPERATING EXPENSES	<u>752,256</u>	<u>1,767,175</u>	<u>851,746</u>	<u>3,371,177</u>
NET OPERATING LOSS	\$ (186,349)	\$ (24,666)	\$ (851,746)	\$ (1,062,761)
OTHER ITEMS				
Loss on provision for facility related obligations	(477,750)	-	-	(477,750)
NET LOSS AND COMPREHENSIVE LOSS	<u>\$ (664,099)</u>	<u>\$ (24,666)</u>	<u>\$ (851,746)</u>	<u>\$ (1,540,511)</u>

PUREBREAD BRANDS INC. (FORMERLY COHO COLLECTIVE KITCHENS INC.)**Notes to the Condensed Consolidated Interim Financial Statements**

For the three and nine months ended December 31, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars)

For the nine months ended December 31, 2025

	Rental	Retail	Corporate	Total
REVENUE	\$ 1,237,644	\$10,063,131	\$ -	\$ 11,300,775
COST OF SALES	-	4,015,852	-	4,015,852
GROSS PROFIT	1,237,644	6,047,279	-	7,284,923
OPERATING EXPENSES				
Advertising and promotion	2,337	49,572	339	52,248
Amortization	166,867	626,859	4,812	798,538
Accretion	-	28,628	284,906	313,534
Interest	354,307	638,922	941,951	1,935,180
Occupancy cost	343,626	741,100	337	1,085,063
Office and miscellaneous	87,689	294,390	13,324	395,403
Professional fees	-	264,519	552,630	817,149
Salaries and benefits	176,888	2,107,690	342,182	2,626,760
Share-based compensation	-	-	27,890	27,890
Subcontractors	5,658	79,811	3,292	88,761
Supplies	134,939	281,097	6,613	422,649
TOTAL OPERATING EXPENSES	1,272,311	5,112,588	2,178,276	8,563,175
NET OPERATING INCOME (LOSS)	\$ (34,667)	\$ 934,691	\$ (2,178,276)	\$ (1,278,252)
OTHER ITEMS				
Gain on debt-to-equity settlement	-	-	4,514,178	4,514,178
NET INCOME (LOSS)	\$ (34,667)	\$ 934,691	\$2,335,902	\$3,235,926

PUREBREAD BRANDS INC. (FORMERLY COHO COLLECTIVE KITCHENS INC.)

Notes to the Condensed Consolidated Interim Financial Statements

For the three and nine months ended December 31, 2025 and 2024

(Unaudited – Expressed in Canadian Dollars)

For the nine months ended December 31, 2024

	Rental	Retail	Corporate	Total
REVENUE	\$ 2,064,197	\$ 10,412,177	\$ -	\$ 12,476,374
COST OF SALES	-	4,717,767	-	4,717,767
GROSS PROFIT	2,064,197	5,694,410	-	7,758,607
OPERATING EXPENSES				
Advertising and promotion	288	8,822	2,895	12,005
Amortization	919,062	654,739	33,929	1,607,730
Accretion	-	-	296,906	296,906
Interest	519,026	642,597	970,801	2,132,424
Occupancy cost	1,199,416	874,474	4,558	2,078,448
Office and miscellaneous	151,105	266,464	68,766	486,335
Professional fees	-	129,034	804,751	933,785
Salaries and benefits	176,996	2,687,683	615,217	3,479,896
Share-based compensation	-	-	177,275	177,275
Subcontractor	2,583	112,284	8,277	123,144
Supplies	177,745	270,921	17,460	466,126
TOTAL OPERATING EXPENSES	3,146,221	5,647,018	3,000,835	11,794,074
NET OPERATING LOSS	\$ (1,082,024)	\$ 47,392	\$ (3,000,835)	\$ (4,035,467)
OTHER ITEMS				
Loss on provision for facility related obligations	(477,750)	-	-	(477,750)
NET LOSS AND COMPREHENSIVE LOSS	\$ (1,559,774)	\$ 47,392	\$ (3,000,835)	\$ (4,513,217)

23. SUBSEQUENT EVENTS

a. As disclosed in Note 19, during the nine months ended December 31, 2025, the Company received a demand letter from BMO requiring immediate repayment of approximately \$5,209,930 outstanding under its credit agreement.

Subsequent to December 31, 2025, the obligation was assigned to a third-party investor and the terms remained the same.

b. On January 12, 2026, the Company completed a debt-to-equity conversion transaction and issued 532,322 common shares to settle the USD Convertible Debentures (Note 17) in full.

c. During the subsequent period, the Company issued 234,000 common shares upon the vesting of RSUs.

d. On February 24, 2026, the Company completed the third and final tranche of its debt-to-equity conversion transaction and issued 592,894 common shares and 261,447 share purchase warrants to settle \$392,048 of outstanding debt (Note 15 (d)). Each warrant entitles the holder to purchase one common share at a price of \$2.50 per share until February 24, 2029.