



Avant Brands Reports Q2 2026 Results Highlighted by 34% Growth in Recreational Revenue

Kelowna, B.C., July 15, 2026, **Avant Brands Inc. (TSX: AVNT) (OTCQX: AVTBF) (FRA: 1BU0)** (“**Avant**” or the “**Company**”), a leading producer of innovative and award-winning cannabis products, today released its financial results for the second quarter ended May 31, 2026 (“**Q2 2026**”).

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

Norton Singhavon, Founder & CEO of Avant Brands commented:

“Our Q2 results highlight the momentum of our recreational portfolio, with 34% year-to-date growth and top market share positions for BLK MKT™ and Tenzo™ in Ontario. While production was temporarily impacted by staggered room closures for strategic infrastructure upgrades at our Flowr facility, this investment was essential to meet consumer demand and expand our future capabilities. Just as importantly, we utilized our strong cash flow to continue aggressively de-leveraging the Company. In under 24 months, we have eliminated nearly 90% of our total outstanding debt, reducing \$8.1 million in total interest-bearing debt (from Q3 2024), to \$1.03 million as at date of this news release. Avant is now leaner and well positioned for its next phase of profitable, sustainable growth.”

Q2 2026 Financial Highlights (vs. Q2 2025):

Revenue:

- Gross revenue: \$9.2 million (-5%)
- Net revenue: \$7.8 million (-8%)
- Recreational revenue: \$3.8 million (+31%).

- Export wholesale revenue: \$2.9 million (-29%)
- Domestic wholesale revenue: \$1.1 million (-16%)

Gross profit: Gross profit increased to \$0.2 million, compared to a gross loss of \$0.2 million in Q2 2025.

Adjusted EBITDA¹: Adjusted EBITDA¹ was negative \$1.2 million, compared to positive \$1.2 million in Q2 2025. The decrease was primarily driven by lower net revenue resulting from the staggered room closures for infrastructure upgrades at The Flowr Group Okanagan ("**Flowr**"), combined with the timing of the Health Canada Annual Regulatory Fee, which was fully recognized in the second quarter rather than accrued evenly over the year.

(1) Adjusted EBITDA is a non-GAAP performance measure. The information is incorporated by reference from the Q2 2026 MD&A filings under "Cautionary Statement Regarding Certain Non-GAAP Performance Measures". The Company's MD&A is available on SEDAR+ at www.sedarplus.com

Balance Sheet & Liquidity Highlights

- **Strong Cash Growth:** The Company's cash balance increased significantly to **\$3.3 million** as of May 31, 2026, compared to \$1.5 million at the end of Fiscal 2025.
- **Positive Operating Cash Flow:** Avant generated **\$1.7 million** in net cash flows from operating activities for the six-month period ended May 31, 2026, demonstrating sustained cash-generation capability despite the lower top-line revenue and gross margins during the quarter.
- **Non-Dilutive Funding Inflow:** Capital resources were further bolstered by **\$1.8 million** in cash proceeds received from a government grant program, which directly funded the facility-wide LED lighting cultivation upgrade project at the Flowr facility.
- **Active Debt Reduction:** The Company utilized its strong capital position to deploy \$1.8 million toward financing activities during the period, continuing to rapidly de-leverage its balance sheet. In less than 24 months, Avant has successfully reduced its total outstanding interest-bearing debt from approximately \$8.1 million down to just **\$1.03 million** as of the date of this news release. The remaining \$1.03 million balance is comprised of \$747k on the unsecured convertible debenture B and \$287k on the secured credit facility.

Canadian Recreational Highlights:

Recreational revenue increased by 31%, driven by focus on top-performing, high-velocity SKUs and strong market share performance in Ontario, Canada's largest provincial market. The Company continues to optimize its SKU portfolio and channel mix by identifying market white space and scaling products with strong consumer pull, supporting sustainable, long-term revenue growth. This targeted strategy yielded the following market milestones based on Q2 Ontario Cannabis Store (OCS) sales data:

- **Premium Whole Flower Leadership:** BLK MKT™ leads Ontario's premium flower category (\$8.60/gram and above), ranking as the #1 brand by total sales dollars during the quarter and outperforming more than 60 competing brands in the segment.

- **Pre-Roll Category Leadership:** BLK MKT™ continued to hold the #1 position in overall sales within the single unit pre-roll segment above 1-gram.
- **14g Whole Flower Leader in Sales:** Tenzo™ Big Smallz ranked as the #2 best-selling 14-gram whole flower SKU in Ontario by total sales dollars during the quarter, outperforming more than 175 competing SKUs in the category.
- **Leading Milled Offerings:** Tenzo™ maintained its momentum in the milled category, securing the position as the #1 best-selling multi-pack milled product with its Fun Trip offering.

Cannabis Production and Sales:

- **Cannabis Production:** 2,850 KG (-14%). The temporary decrease in production was primarily due to scheduled, strategic downtime at Flowr, the Company's largest facility. During this period, Avant implemented a significant capital improvement program, nearing \$2 million in total expenditure. The capital program converted the entire facility to lighting with increased efficiency, designed to reduce electrical demand, significantly increase facility capacity per square foot, and further elevate our ultra-premium product quality.
- **Cannabis Sales:** 4,576 KG sold (64%) with 1,605 KG comprised of trim.

Q2 2026 YTD Financial Highlights (vs. Q2 2025 YTD):

Revenue:

- Gross revenue: \$17.5 million (-10%)
- Net revenue: \$14.9 million (-13%)
- Recreational revenue: \$7.6 million (+34%)
- Export wholesale revenue: \$4.4 million (-49%)
- Domestic wholesale revenue: \$2.7 million (+21%)

Gross profit: Gross profit decreased to \$0.3 million, compared to a gross profit of \$1.4 million in YTD Q2 2025. The decrease in gross profit was driven by lower net revenue and a decrease in the unrealized gain on changes in fair value of biological assets as compared to the same period in the prior year.

Adjusted EBITDA¹: Adjusted EBITDA¹ was negative \$1.9 million, compared to positive \$2.9 million in YTD Q2 2025. The decrease was primarily driven by lower net revenue resulting from the staggered room closures for infrastructure upgrades at the Flowr facility, combined with the timing of the Health Canada Annual Regulatory Fee, which was fully recognized in the second quarter rather than accrued evenly over the year.

⁽¹⁾ *Adjusted EBITDA is a non-GAAP performance measure. The information is incorporated by reference from the Q2 2026 MD&A filings under "Cautionary Statement Regarding Certain Non-GAAP Performance Measures". The Company's MD&A is available on SEDAR+ at www.sedarplus.com*

Cannabis Production and Sales:

- **Cannabis Production:** 5,856 KG (-12%). The temporary decrease in production was primarily due to scheduled, strategic downtime at Flowr, the Company's largest facility. During this period, Avant implemented a significant capital improvement program, nearing \$2 million in total expenditure. The capital program converted the entire facility to lighting with increased efficiency, designed to reduce electrical demand, significantly increase facility capacity per square foot, and further elevate our ultra-premium product quality.
- **Cannabis Sales:** 6,933 KG sold (+13%). The year-over-year increase is primarily attributable to aged inventory sold.

About Avant Brands Inc.

Avant Brands Inc. (TSX: AVNT) (OTCQX: AVTBF) (FRA: 1BU0) is a leading innovator in premium cannabis products, driven by a commitment to exceptional quality and craftsmanship. As one of Canada's largest indoor producers, the company operates multiple production facilities across the country, cultivating unique and high-quality cannabis strains.

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

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

Learn More:

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

Investor Relations:

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING INFORMATION:

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

Forward-looking information is often, but not always, identified by the use of words such as “expects,” “intends,” “anticipates,” “believes,” “estimates,” “plans,” “may,” “could,” “should,” “will,” or variations of such words and phrases. In particular, this news release includes forward-looking information related to, but not limited to: the Company's expectations for future revenue, sales growth, and sustainable profitability; the anticipated impact of the nearly \$2.0 million capital improvement program at the Flowr facility, including expectations that the upgrades will successfully reduce electrical demand, significantly increase facility capacity per square foot, and further elevate ultra-premium product quality; the Company's strategy to optimize its SKU portfolio and channel mix by identifying market white space and scaling products with strong consumer pull to support long-term revenue growth; and expectations regarding the continued reduction of corporate debt and the de-leveraging of the Company's balance sheet.

Forward-looking information also includes statements concerning the Company's ongoing focus on operational efficiencies, profitability, and the anticipated availability of financial statements and management's discussion and analysis (“MD&A”) on the Company's SEDAR+ profile and website. Investors should be aware that forward-looking information involves inherent risks, uncertainties, and other factors that may cause actual results to differ materially from those expressed or implied by such information. Management's current expectations may not accurately predict future events or outcomes. Therefore, investors are cautioned not to place undue reliance on forward-looking information.

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

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

SPECIAL NOTE REGARDING FINANCIAL INFORMATION

This document should be read in conjunction with the Company's unaudited consolidated financial statements (the “financial statements”) and the Company's MD&A for the three months and six months ended May 31, 2026, and audited consolidated financial statements for the year ended November 30, 2025. All dollar amounts are referenced in millions of Canadian dollars,

except where noted otherwise. The Company's financial statements and MD&A for the three months and six months ended May 31, 2026, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

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

SPECIAL NOTE REGARDING NON-GAAP AND OTHER FINANCIAL MEASURES

This document includes references to non-GAAP measures, which include non-GAAP and other financial measures as defined in National Instrument 52-112 - Non-GAAP and Other Financial Measures Disclosure. These financial measures are used by the Company to evaluate its financial performance, financial position or cash flow and include non-GAAP financial measures, non-GAAP ratios, total of segments measures, capital management measures, and supplementary financial measures. These financial measures are not defined by IFRS and therefore are referred to as non-GAAP and other financial measures. The non-GAAP and other financial measures used by the Company may not be comparable to similar measures presented by other companies and should not be considered an alternative to or more meaningful than the most directly comparable financial measure presented in the Company's financial statements, as applicable, as an indication of the Company's performance. Descriptions of the Company's non-GAAP and other financial measures included in this document, and reconciliations to the most directly comparable GAAP measure, as applicable, are provided in the "Cautionary Statement Regarding Certain Non-GAAP Performance Measures" section of the Company's MD&A for the three months and six months ended May 31, 2026, dated July 15, 2026.