

**NEVIS BRANDS INC.**  
**Condensed Interim Consolidated Financial Statements**  
**For the Three and Nine Months Ended August 31, 2024 and 2023**

**(Unaudited - Expressed in Canadian Dollars)**

<b><u>Index</u></b>	<b><u>Page</u></b>
Notice of no Auditor review of Condensed Interim Consolidated Financial Statements	2
Condensed Interim Consolidated Financial Statements	
Condensed Interim Consolidated Statements of Financial Position	3
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss	4
Condensed Interim Consolidated Statements in Shareholders' Equity (Deficiency)	5
Condensed Interim Consolidated Statements of Cash Flows	6
Notes to the Condensed Interim Consolidated Financial Statements	7-16

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

**In accordance with National Instrument 51-102, released by the Canadian Securities Administrators, the Company discloses that its independent auditors have not reviewed the condensed interim consolidated financial statements for the three and nine months ended August 31, 2024 and 2023.**

**Nevis Brands Inc.**  
**Condensed Interim Consolidated Statements of Financial Position**  
**(Unaudited - Expressed in Canadian Dollars)**

	<i>Notes</i>	<b>August 31, 2024</b>	<b>November 30, 2023</b>
<b>ASSETS</b>		<b>\$</b>	<b>\$</b>
<b>Current</b>			
Cash		115,227	418,524
Prepaid expenses and deposits		4,182	8,015
Receivables		299,080	206,839
Inventory	4	318,603	248,269
<b>Total current assets</b>		<b>737,092</b>	<b>881,647</b>
Equipment	5	24,077	19,820
Intangibles, net	6	1,403,932	1,593,957
<b>Total assets</b>		<b>2,165,101</b>	<b>2,495,424</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	9	331,692	336,092
Short-term loan	9	44,713	99,707
Promissory note	4, 10	511,528	683,273
<b>Total liabilities</b>		<b>887,933</b>	<b>1,119,072</b>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>			
<b>Equity attributable to shareholders</b>			
Share capital	7	14,991,907	14,921,723
Contributed Surplus	7	402,481	822,805
Deficit		(14,154,154)	(14,417,087)
Accumulated other comprehensive income		36,934	48,911
<b>Total shareholders' equity</b>		<b>1,277,168</b>	<b>1,376,352</b>
<b>Total liabilities and shareholders' equity</b>		<b>2,165,101</b>	<b>2,495,424</b>

Approved on behalf of the Board:

*"Patrick W. Gray"*

Director

*"John Bell"*

Director

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

**Nevis Brands Inc.**

**Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)**

**(Unaudited - Expressed in Canadian Dollars)**

	Notes	For the Three Months Ended August 31,		For the Nine Months Ended August 31,	
		2024	2023	2024	2023
		\$	\$	\$	\$
Revenue		474,584	275,669	1,291,875	275,669
Cost of goods sold		(135,433)	(144,381)	(418,497)	(144,381)
<b>Gross profit</b>		339,151	131,288	873,378	131,288
Accounting and audit fees		(19,218)	(640)	(65,573)	(58,387)
Administrative and general office		(39,077)	(40,887)	(128,811)	(45,729)
Equipment depreciation		(2,604)	(1,854)	(7,183)	(1,854)
Intangible assets amortization		(60,667)	(26,924)	(180,693)	(26,924)
Bank charges and interest		(2,316)	(1,066)	(7,846)	(2,838)
Consulting fees		-	(14,909)	-	(33,511)
Salaries and benefits	9	(93,474)	(124,594)	(302,367)	(124,594)
Foreign exchange loss		232	7,062	(2,927)	1,885
Insurance		601	(4,239)	(2,648)	(4,951)
Transfer agent, listing and filing fees		(4,995)	814	(18,019)	(18,271)
Investor relations and marketing		(45,942)	(17,632)	(169,005)	(26,073)
Legal fees		(16,051)	30,297	(35,263)	(52,056)
Share-based payments	7	(8,886)	(404,845)	(19,936)	(406,619)
Travel and entertainment		(5,279)	(4,747)	(23,197)	(4,747)
<b>Total expenses</b>		(297,676)	(604,164)	(963,468)	(804,669)
<b>Income (loss) from operations</b>		41,475	(472,876)	(90,090)	(673,381)
<b>Other Income and expenses</b>					
Research and development	4	-	157	-	(40,091)
Interest expense	4	(13,602)	(8,507)	(42,053)	(8,507)
Other income		-	(17,643)	-	-
Gain (loss) on sale of equipment		-	(35)	-	7,231
Gain on debt settlement		-	509,564	-	509,564
<b>Net income (loss) for the period</b>		27,873	10,660	(132,143)	(205,184)
<b>Other comprehensive loss</b>					
Current translation adjustment		(19,990)	-	(11,977)	-
<b>Total comprehensive income (loss) for the period</b>		7,883	10,660	(144,120)	(205,184)
Earnings / (Loss) per share, basic and diluted		0.00	0.00	(0.00)	(0.01)
Weighted average common shares outstanding – basic and diluted <sup>1</sup>		38,390,327	29,667,814	38,231,236	18,675,506

<sup>1</sup>Post 5:1 share consolidation

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

**Nevis Brands Inc.**  
**Consolidated Statements in Shareholders' Equity (Deficiency)**  
**(Unaudited - Expressed in Canadian Dollars)**

	Common Shares				Other comprehensive		Total
	Number of	Amount	Shares to be	Contributed	Income	Deficit	Shareholders' Equity (Deficiency)
	Shares <sup>1</sup>		Issued	Surplus			
		\$	\$	\$	\$	\$	\$
<b>Balance, November 30, 2022</b>	13,118,955	13,052,100	-	424,152	-	(14,420,357)	(944,105)
Shares issued for cash	20,000,000	1,604,924	-	395,076	-	-	2,000,000
Share issuance costs	-	(111,904)	-	-	-	-	(111,904)
Shares issued for acquisition of THC Essentials assets	3,775,000	283,125	-	-	-	-	283,125
Shares issued for debt	1,246,372	93,478	-	-	-	-	93,478
Share-based payments	-	-	-	406,619	-	-	406,619
Fair value transfer on expiry of options	-	-	-	(252,983)	-	252,983	-
Fair value transfer on expiry of warrants	-	-	-	(9,500)	-	9,500	-
Net loss for the period	-	-	-	-	43,351	(205,184)	(161,833)
<b>Balance, August 31, 2023</b>	<b>38,140,327</b>	<b>14,921,723</b>	<b>-</b>	<b>963,364</b>	<b>43,351</b>	<b>(14,363,058)</b>	<b>1,565,380</b>
Fair value transfer on expiry of options	-	-	-	(140,559)	-	140,559	-
Net loss for the period	-	-	-	-	5,560	(194,588)	(189,028)
<b>Balance, November 30, 2023</b>	<b>38,140,327</b>	<b>14,921,723</b>	<b>-</b>	<b>822,805</b>	<b>48,911</b>	<b>(14,417,087)</b>	<b>1,376,352</b>
Shares issued for exercise of options	250,000	70,184	-	(45,184)	-	-	25,000
Share-based payments	-	-	-	19,936	-	-	19,936
Fair value transfer on expiry of warrants	-	-	-	(395,076)	-	395,076	-
Net loss for the period	-	-	-	-	(11,977)	(132,143)	(144,120)
<b>Balance, August 31, 2024</b>	<b>38,390,327</b>	<b>14,991,907</b>	<b>-</b>	<b>402,481</b>	<b>36,934</b>	<b>(14,154,154)</b>	<b>1,277,168</b>

<sup>1</sup>Post 5:1 share consolidation

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

Nevis Brands Inc.  
Condensed Interim Consolidated Statements of Cash Flows  
(Unaudited - Expressed in Canadian Dollars)

For the nine months ended August 31

	2024	2023
	\$	\$
<b>Cash provided by (used in):</b>		
<b>Operating activities:</b>		
Net loss for the period	(132,143)	(205,184)
<b>Items not involving cash:</b>		
Equipment depreciation	7,183	1,854
Intangible assets amortization	180,693	26,924
Share-based payments	19,936	406,619
Gain on debt settlement	-	(509,564)
Gain on sale of equipment	-	(7,231)
Interest expense	33,430	8,506
<b>Changes in non-cash working capital:</b>		
Prepaid expenses	3,833	(22,705)
Receivables	(92,241)	(162,113)
Accounts payable and accrued liabilities	(59,394)	189,416
<b>Net cash used in operating activities</b>	<b>(38,703)</b>	<b>(273,478)</b>
<b>Investing activity:</b>		
Proceeds from sale of equipment	-	7,231
Proceeds from sale (purchase) of inventory	(70,334)	14,669
Purchase of equipment	(11,562)	(5,144)
Acquisition of THC Essentials Asset	-	(949,821)
<b>Net cash provided by (used in) investing activities</b>	<b>(81,896)</b>	<b>(933,065)</b>
<b>Financing activities:</b>		
Proceeds on exercise of options	25,000	-
Proceeds from (repayment of) short-term loan	-	(122,512)
Shares issued for cash	-	2,000,000
Share issuance costs	-	(111,904)
Repayment of promissory note	(205,175)	-
<b>Net cash provided by (used in) financing activities</b>	<b>(180,175)</b>	<b>1,765,584</b>
<b>Net change in cash</b>	<b>(300,774)</b>	<b>559,041</b>
<b>Effect of exchange rate changes on cash</b>	<b>(2,523)</b>	<b>7,733</b>
<b>Cash, beginning of period</b>	<b>418,524</b>	<b>8,370</b>
<b>Cash, end of period</b>	<b>115,227</b>	<b>575,144</b>

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

**Nevis Brands Inc. (Formerly Pascal Biosciences Inc.)**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the Three and Nine Months Ended August 31, 2024 and 2023**  
**(Unaudited - Expressed in Canadian Dollars)**

**1. NATURE OF OPERATIONS AND GOING CONCERN**

Nevis Brands Inc. (the “Company”) was incorporated on January 28, 2011 pursuant to the *Business Corporations Act* (British Columbia). On May 24, 2013, the Company acquired all of the issued and outstanding shares of bioMmune Advanced Technologies Inc. (“BAT”), a private company (incorporated on July 5, 2012) formed to commercially exploit a number of patents and patent applications that surround three technologies. On March 27, 2017, the Company incorporated a wholly owned subsidiary in Seattle, Washington, named Nevis Brands, Inc. USA (formerly Pascal Biosciences US, Inc.) (“Nevis (US)”). On June 12, 2023, the Company changed its name from Pascal Biosciences Inc. to Nevis Brands Inc. (Note 4). On July 6, 2023, the Company de-listed from the TSX Venture Exchange and listed on the Canadian Securities Exchange (“CSE”) upon receiving approval under the trading symbol “NEVI”. On August 14, 2023, the Company became listed on the Frankfurt Stock Exchange under the trading symbol “8DZ”. On February 15, 2024, the Company became listed on the OTCQB under the trading symbol “NEVIF”.

The Company’s head office is 1900 Airport Way S, Suite 201, Seattle, WA 98134.

These condensed interim consolidated financial statements have been prepared under the assumption of a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at August 31, 2024, the Company has a working capital deficiency of \$150,841 (November 30, 2023: \$237,425) and reported a net loss of \$132,143 (2023: \$205,184). The Company’s ability to maintain its existence is dependent upon the continuing support of its creditors and its success in obtaining new equity financing for its ongoing operations. Financing options available to the Company include equity financings and loans. These conditions indicate the existence of material uncertainties that may cast significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. Realization values of the Company’s assets may be substantially different from carrying values as shown in these condensed interim consolidated financial statements and, accordingly, should the Company be unable to continue as a going concern, the adjustments could be material.

**2. STATEMENT OF COMPLIANCE, BASIS OF PRESENTATION**

(a) Statement of compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Accounting Standards, as issued by the International Accounting Standards Board (“IASB”).

These condensed interim consolidated financial statements were authorized for issue by the Board of Directors on October 9, 2024.

(b) Basis of measurement

These condensed interim consolidated financial statements have been prepared on a historical cost basis, except for financial instruments classified as fair value through profit or loss (“FVTPL”), which are stated at their fair values. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying

**Nevis Brands Inc. (Formerly Pascal Biosciences Inc.)**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the Three and Nine Months Ended August 31, 2024 and 2023**  
**(Unaudited - Expressed in Canadian Dollars)**

the Company's accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are the same as those disclosed in Note 3 in the Company's annual consolidated financial statements as at and for the year ended November 30, 2023.

(c) Functional and presentation currency

The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of the Company and its Canadian subsidiary is the Canadian dollar ("CAD"). The functional currency of Nevis (US) was the CAD, however, subsequent to the transaction with SörSE (Note 4), the functional currency of Nevis (US) was determined to be the United States dollar ("USD"). The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than CAD are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the period end exchange rate while non-monetary assets and liabilities in foreign currencies are translated at historical rates. Revenues and expenses are translated at the average exchange rates approximating those in effect during the reporting period.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company's USD operations are translated into CAD at the exchange rate at the reporting date. The income and expenses are translated using average rate. Foreign currency differences that arise on translation for consolidation purposes are recognized in other comprehensive income (loss).

**3. SIGNIFICANT ACCOUNTING POLICIES**

These condensed interim consolidated financial statements are unaudited and have been prepared in accordance with International Financial Reporting Standards ("IFRS") and in accordance with the International Accounting Standards ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The accounting policies and methods of computation applied by the Company in these condensed interim consolidated financial statements are the same as those applied in the Company's annual consolidated financial statements as at and for the year ended November 30, 2023.

**4. ACQUISITION OF THC ESSENTIALS ASSETS**

On February 11, 2023, the Company signed an asset purchase agreement (the "Agreement") with SörSE to acquire from SörSE the assets comprising THC Essentials, as amended March 31, 2023, April 2, 2023, April 26, 2023, May 29, 2023 and June 8, 2023. Closing must be on or before June 30, 2023 (the "Closing Date") and the Company's shares must be listed on the CSE (the "Listing Date").

The purchase price of \$1,894,946 (US\$1,125,000) was paid as follows: (i) a secured promissory note of US\$500,000, bearing interest at 7.5% per annum due on July 31, 2024, (ii) an aggregate of 3,775,000 post-consolidation shares, and (iii) US\$625,000 payable on the Closing Date.

The closing occurred on June 30, 2023, whereby a reorganization occurred. The reorganization included, inter alia, closing both a private placement of \$2,000,000 and the acquisition of THC Essentials, issuing



**Nevis Brands Inc. (Formerly Pascal Biosciences Inc.)**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the Three and Nine Months Ended August 31, 2024 and 2023**  
**(Unaudited - Expressed in Canadian Dollars)**

1,246,372 shares for debt, the appointment of a new CEO, a change of directors, a name change, a share consolidation on the basis of one new share for five old shares and listing on the CSE. The share consolidation occurred on June 12, 2023.

The acquisition of THC Essentials assets did not meet the definition of a business under IFRS 3 *Business Combinations* and has been accounted for as an asset acquisition in these condensed interim consolidated financial statements. On the acquisition date, June 30, 2023, the Company has allocated the purchase price of the acquisition to the assets acquired as follows:

<b>Purchase Price</b>	<b>\$</b>
Cash payment	827,693
Common shares issued	283,125
Promissory note <sup>(1)</sup>	662,000
Transaction costs	122,128
	<u>1,894,946</u>
<b>Net assets acquired</b>	
Inventory	222,159
Equipment	21,185
Intangible assets - Customer relationship	695,180
Intangible assets - Trademarks	956,422
	<u>1,894,946</u>
<b>Total</b>	<b><u>1,894,946</u></b>

During the nine months ended August 31, 2024, the Company recognized interest expense of \$33,430.

**5. EQUIPMENT**

	Computers	Furniture	Other Equipment	Total
	\$	\$	\$	\$
<b>Cost:</b>				
<b>At November 30, 2022</b>	-	-	-	-
Acquired on acquisition (Note 4)	-	-	21,185	21,185
Additions	3,155	1,988	-	5,143
<b>At November 30, 2023</b>	<b>3,155</b>	<b>1,988</b>	<b>21,185</b>	<b>26,328</b>
Additions	-	-	11,562	11,562
<b>At August 31, 2024</b>	<b>3,155</b>	<b>1,988</b>	<b>32,747</b>	<b>37,890</b>
<b>Amortization:</b>				
<b>At November 30, 2022</b>	-	-	-	-
Additions	216	169	6,780	7,165
Net exchange differences	(96)	(49)	(512)	(657)
<b>At November 30, 2023</b>	<b>120</b>	<b>120</b>	<b>6,268</b>	<b>6,508</b>
Additions	456	279	6,448	7,183
Net exchange differences	16	12	94	122
<b>At August 31, 2024</b>	<b>592</b>	<b>411</b>	<b>12,810</b>	<b>13,813</b>
<b>Net book value:</b>				
<b>At November 30, 2023</b>	<b>3,035</b>	<b>1,868</b>	<b>14,917</b>	<b>19,820</b>
<b>At August 31, 2024</b>	<b>2,563</b>	<b>1,577</b>	<b>19,937</b>	<b>24,077</b>

**Nevis Brands Inc. (Formerly Pascal Biosciences Inc.)**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the Three and Nine Months Ended August 31, 2024 and 2023**  
**(Unaudited - Expressed in Canadian Dollars)**

**6. INTANGIBLE ASSETS**

As part of the assets acquired from SÖRSE (Note 4), the "THC Essentials" business line represents multiple formulas, and registered multiple trademarks for branded consumer beverages which incorporate cannabis as a key functional ingredient (the "Products"). However, the Company does not manufacture or distribute the Products; the Company has negotiated license and manufacturing agreements with multiple business partners in different states with the USA (each a "Manufacturing Partner"). The Company provides the branding collateral, trademark licenses, and formulas to these Manufacturing Partners who are responsible for the actual production and distribution of the Products. In return for licensing the trademarks and formulas to the Manufacturing Partners, each of them pays a royalty or licensing fee to the Company. These licensing fees are typically structured as either a set dollar amount per unit produced, or a percentage of the net sales of the Products at wholesale prices.

	Customer relationship	Trademarks	Total
	\$	\$	\$
<b>Cost:</b>			
<b>At November 30, 2022</b>	-	-	-
Acquired on acquisition (Note 4)	695,180	956,422	1,651,602
<b>At August 31, 2024 and November 30, 2023</b>	<b>695,180</b>	<b>956,422</b>	<b>1,651,602</b>
<b>Amortization:</b>			
<b>At November 30, 2022</b>	-	-	-
Additions	59,109	40,662	99,771
Net exchange differences	(17,639)	(24,487)	(42,126)
<b>At November 30, 2023</b>	<b>41,470</b>	<b>16,175</b>	<b>57,645</b>
Additions	107,052	73,641	180,693
Net exchange differences	3,582	5,750	9,332
<b>At August 31, 2024</b>	<b>152,104</b>	<b>95,566</b>	<b>247,670</b>
<b>Net book value:</b>			
<b>At November 30, 2023</b>	<b>653,710</b>	<b>940,247</b>	<b>1,593,957</b>
<b>At August 31, 2024</b>	<b>543,076</b>	<b>860,856</b>	<b>1,403,932</b>

The estimated aggregate amortization expense for each of the five succeeding fiscal years is as follows:

	2024	2025	2026	2027	2028	Total
Customer relationship	32,466	129,866	129,866	129,866	129,866	551,930
Trademarks	23,349	93,395	93,395	93,395	93,395	396,929
	55,815	223,261	223,261	223,261	223,261	948,859

**7. SHARE CAPITAL**

(a) Authorized

The authorized share capital of the Company consists of an unlimited number of common shares without par value.

Effective June 12, 2023, the Company consolidated its issued and outstanding common shares on the basis of five pre-consolidation shares for one post-consolidation share. All references to share

**Nevis Brands Inc. (Formerly Pascal Biosciences Inc.)**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the Three and Nine Months Ended August 31, 2024 and 2023**  
**(Unaudited - Expressed in Canadian Dollars)**

and per share amounts in these financial statements have been retroactively restated to reflect the consolidation.

(b) Common shares

*Nine months ended August 31, 2024*

On May 23, 2024, the Company issued 250,000 common shares pursuant to an option exercise.

*Nine months ended August 31, 2023*

On June 30, 2023, the Company issued 1,246,372 common shares to settle debt of \$593,049. The shares were valued at \$93,478, which resulted in a gain on debt settlement of \$509,564 and a foreign exchange gain on debt settlement of \$9,993 (Note 10).

On June 30, 2023, the Company issued 3,775,000 common shares pursuant to the acquisition of THC Essentials assets (Note 5).

On June 30, 2023, the Company issued 15,195,000 units as a price of \$0.10 per unit for gross proceeds of \$1,519,500. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant will entitle the holder to acquire one common share of the Company at an exercise price of \$0.20 for a period of one year following the closing date. The Company allocated \$379,875 of the gross proceeds to warrant reserve using the residual value method. The Company paid a finder's fee of \$74,550 and issued 532,500 finders' warrants on the same terms as the private placement warrants. The finders' warrants were valued at \$2,080 using the Black-Scholes pricing model with the following assumptions: risk-free interest rate of 4.47%, expected dividend rate of 0%, expected volatility of 72.81%, and forfeiture rate of 0%.

On July 6, 2023, the Company issued 4,805,000 units at a price of \$0.10 per unit for gross proceeds of \$480,500. Each unit consists of one common share and one-half share purchase warrant. Each whole warrant will entitle the holder to acquire one common share of the Company at an exercise price of \$0.20 for a period of one year following the closing date. The Company paid a finder's fee of \$32,235 and issued 230,250 finders' warrants on the same terms as the private placement warrants. The finders' warrants were valued at \$13,121 using the Black-Scholes pricing model with the following assumptions: risk-free interest rate of 4.70%, expected dividend rate of 0%, expected volatility of 68.42%, and forfeiture rate of 0%. The Company also incurred cash share issuance costs of \$5,119.

(c) Stock options

During the year ended November 30, 2012, the Company adopted a stock option plan, which provides that the Board of Directors may, from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants of the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares and exercisable for ten years from the date of grant. During the year ended November 30, 2023, the Company adopted a new stock option plan that is identical to the former except that "Exchange" refers to the Canadian Securities Exchange rather than the TSX Venture Exchange.

**Nevis Brands Inc. (Formerly Pascal Biosciences Inc.)**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the Three and Nine Months Ended August 31, 2024 and 2023**  
**(Unaudited - Expressed in Canadian Dollars)**

A summary of the Company's outstanding stock options and changes is as follows:

	Quantity	Weighted Average Exercise Price (\$)
Outstanding, November 30, 2022	935,000	0.70
Granted	2,240,000	0.10
Expired	(855,000)	0.71
Outstanding, November 30, 2023 <sup>1</sup>	2,320,000	0.11
Granted	450,000	0.12
Exercised	(250,000)	0.10
Outstanding, August 31, 2024 <sup>1</sup>	2,520,000	0.11
Exercisable as at August 31, 2024	2,132,500	0.11

<sup>1</sup>The stock options have been restated to reflect the 5:1 share consolidation.

On July 16, 2024, the Company granted 200,000 stock options to a Director of the Company. The stock options are exercisable at a price of \$0.13 per share, for a period of five years and half will vest in six months and the remaining half will vest 18 months from the date of grant. The fair value of the stock options was estimated using the Black-Scholes option-pricing model with the following assumptions: risk-free interest rate of 3.31%, expected dividend rate of 0%, expected volatility of 93.31%, and forfeiture rate of 0%. The fair value of the options was calculated at \$18,035. The share-based payment expense recognized during the nine months ended August 31, 2024 was \$3,010 (2023: \$nil).

On March 1, 2024, the Company granted 250,000 stock options to the VP of Operations. The stock options are exercisable at a price of \$0.12 per share, for a period of five years and will vest quarterly over one year. The fair value of the stock options was estimated using the Black-Scholes option-pricing model with the following assumptions: risk-free interest rate of 3.43%, expected dividend rate of 0%, expected volatility of 90.40%, and forfeiture rate of 0%. The fair value of the options was calculated at \$21,415. The share-based payment expense recognized during the nine months ended August 31, 2024 was \$16,925 (2023: \$nil).

On July 6, 2023, the Company granted 2,240,000 stock options to directors. The stock options are exercisable at a price of \$0.10 per share, for a period of ten years and vest immediately. The fair value of the stock options was estimated using the Black-Scholes option-pricing model with the following assumptions: risk-free interest rate of 3.42%, expected dividend rate of 0%, expected volatility of 87.05%, and forfeiture rate of 0%. The fair value of the options was calculated at \$404,845. The share-based payment expense recognized during the nine months ended August 31, 2024 was \$nil (2023: \$404,845).

On February 28, 2022, the Company granted 100,000 stock options to the former CEO. The stock options are exercisable at a price of \$0.40 per share, for a period of five years and will vest quarterly over one year. The fair value of the stock options was estimated using the Black-Scholes option-pricing model with the following assumptions: risk-free interest rate of 1.73%, expected dividend rate of 0%, expected volatility of 94.02%, and forfeiture rate of 0%. The fair value of the options was calculated at \$28,772. The share-based payment expense recognized during the nine months ended August 31, 2024 was \$nil (2023: \$1,774).

**Nevis Brands Inc. (Formerly Pascal Biosciences Inc.)**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the Three and Nine Months Ended August 31, 2024 and 2023**  
**(Unaudited - Expressed in Canadian Dollars)**

Option pricing models require the use of highly subjective estimates and assumptions. The expected volatility assumption is based on the historical and implied volatility of the Company's common share price on the Exchange. The risk-free interest rate assumption is based on yield curves on Canadian government zero-coupon bonds with a remaining term equal to the stock options' expected life. The Company uses historical data to estimate option exercise, forfeiture and employee termination within the valuation model. Based on the best estimate, management applied the estimated forfeiture rate of 0% in determining the expense recorded in the accompanying consolidated statements of operations and comprehensive loss.

The options outstanding at August 31, 2024 are as follows:

<b>Expiry Date</b>	<b>Outstanding</b>	<b>Exercisable</b>	<b>Weighted Average Exercise Price (\$)</b>	<b>Weighted Average Remaining Contractual Life (Years)</b>
April 20, 2026	80,000	80,000	0.40	1.64
March 1, 2029	250,000	62,500	0.12	4.50
July 16, 2029	200,000	-	0.13	4.88
July 6, 2033	1,990,000	1,990,000	0.10	8.85
	<b>2,520,000</b>	<b>2,132,500</b>	<b>0.11</b>	<b>7.88</b>

(d) Share purchase warrants

A summary of the Company's outstanding share purchase warrants and changes is as follows:

	<b>Quantity</b>	<b>Weighted Average Exercise Price (\$)</b>	<b>Weighted Average Remaining Contractual Life (Years)</b>
Balance, November 30, 2022 <sup>1</sup>	1,500,000	0.75	0.22
Issued	10,762,750	0.20	1.00
Expired	(1,500,000)	0.75	0.00
Balance, November 30, 2023	10,762,750	0.20	0.59
Expired	(10,762,750)	0.20	0.00
Balance, August 31, 2024	-	-	-

<sup>1</sup>The Company's warrants outstanding have been restated to reflect the 5:1 share consolidation.

**8. CAPITAL RISK MANAGEMENT**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the development of any identified business opportunities and to maintain a flexible capital structure for the benefit of its stakeholders.

The Company includes shareholders' equity, comprised of issued share capital, contributed surplus and deficit in the definition of capital.

**Nevis Brands Inc. (Formerly Pascal Biosciences Inc.)**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the Three and Nine Months Ended August 31, 2024 and 2023**  
**(Unaudited - Expressed in Canadian Dollars)**

The Company manages the capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, enter into joint venture arrangements, acquire or dispose of assets, or adjust the amount of cash.

The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of the Company's management to manage its capital to be able to sustain the future development of the Company's business. The Company is not subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the nine months ended August 31, 2024.

**9. RELATED PARTY TRANSACTIONS**

The following is a summary of related party transactions that occurred during the three and nine months ended August 31, 2024 and 2023:

<b>Services provided by:</b>	<b>Three Months Ended August 31,</b>		<b>Nine Months Ended August 31,</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Key management salaries/fees a)	59,738	34,562	198,408	49,562
Share-based payments	3,010	404,845	3,010	404,845
	<b>62,748</b>	<b>439,407</b>	<b>201,418</b>	<b>454,407</b>

Related parties include:

- a) Key management salaries include amounts paid to the CEO and CFO.

Included in accounts payable and accrued liabilities is \$2,940 (November 30, 2023: \$13,127) payable to directors and officers of the Company. The amounts in accounts payable and accrued liabilities are non-interest bearing and due within 30 days. Additionally, there are loans to the Company by directors of the Company totaling \$44,713 (US \$33,143) (November 30, 2023: \$99,707 /US\$67,178). The loans are unsecured, due on demand and bear no interest.

**10. FINANCIAL INSTRUMENTS**

- (a) Fair value

Financial instruments recognized at fair value on the consolidated statements of financial position must be classified in one of the following three fair value hierarchy levels:

Level 1 – measurement based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities;

Level 2 – measurement based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability; or

Level 3 – measurement based on inputs that are not observable (supported by little or no market activity) for the asset or liability.

**Nevis Brands Inc. (Formerly Pascal Biosciences Inc.)**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the Three and Nine Months Ended August 31, 2024 and 2023**  
**(Unaudited - Expressed in Canadian Dollars)**

As at August 31, 2024 and November 30, 2023, the Company's financial instruments are comprised of cash, receivables and accounts payable and accrued liabilities. The carrying amounts reported in the consolidated statements of financial position for cash, receivables, short-term loan, and accounts payable and accrued liabilities approximate fair values due to the short-term maturities of these financial instruments.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Company considers its exposure to credit risk to be low, as its cash is deposited with a large financial institution with a strong credit rating.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due.

At August 31, 2024, the Company had cash of \$115,227 (November 30, 2023: \$418,524) available to apply against short-term business requirements and current liabilities of \$887,933 (November 30, 2023: \$1,119,072). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of August 31, 2024. The short-term loans payable are due on demand.

On April 22, 2024, the promissory note maturity date was extended from July 31, 2024 to December 31, 2024. On July 16, 2024, the promissory note maturity date was extended to May 31, 2025. During the nine months ended August 31, 2024, \$205,174 (US \$150,000) of principal on the promissory note was repaid.

(d) Currency risk

The Company is exposed to currency risk to the extent expenditures incurred or funds received and balances maintained by the Company are denominated in currencies other than the Canadian dollar. The Company does not manage currency risks through hedging or other currency management tools.

As at August 31, 2024 and 2023, the Company's net exposure to foreign currency risk is as follows:

US dollars	2024	2023
	\$	\$
Cash	61,806	8,213
Accounts receivable	217,032	116,348
Accounts payable	(222,376)	(152,359)
Short-term loan payable	(33,143)	(2,135)
Promissory note	(390,340)	(500,000)
Net exposure to foreign currency risk	(367,021)	(529,933)
Canadian dollar equivalent	(495,148)	(717,052)

**Nevis Brands Inc. (Formerly Pascal Biosciences Inc.)**  
**Notes to the Condensed Interim Consolidated Financial Statements**  
**For the Three and Nine Months Ended August 31, 2024 and 2023**  
**(Unaudited - Expressed in Canadian Dollars)**

Based on the above net foreign currency exposure, and assuming all other variables remain constant, a 7% weakening or strengthening of the Canadian dollar against the US dollar would have an immaterial effect on the Company's net loss and comprehensive loss.

(e) Other price risk

Other price risk is the risk that future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to significant other price risk.

**11. SEGMENTED INFORMATION**

The Company has one operating and reportable segment, the development of cannabis products, in the United States.

**12. ECONOMIC DEPENDENCE**

During the nine months ended August 31, 2024, the Company had sales of \$1,291,875 in the United States. Major customers are defined as customers that each individually account for greater than 10% of the Company's revenues. For the nine months ended August 31, 2024, the following revenue was recorded from major customers comprising 85% (2023 – 89%) of gross revenues:

	<b>2024</b>	<b>2023</b>
	\$	\$
Washington State	807,817	164,781
California State	117,871	-
Colorado State	68,325	15,864
Ohio State	64,831	66,937

**13. COMMITMENTS**

*Leases*

The Company has a short-term operating lease agreement being month to month. During the nine months ended August 31, 2024, short term leases expense of \$45,113 was reported in the administrative and office general expenses within the Condensed Interim Consolidated Statements of Loss and Comprehensive Loss.