Cann-Is Capital Corp.
(A Capital Pool Corporation)

Unaudited Condensed Interim Financial Statements

For the six months ended June 30, 2025 and 2024

(In Canadian Dollars)

Notice of no auditor review of interim financial statements:

Under National Instrument 51-102, Part 4, subsection 4.3(3) (a), if an auditor has not performed a review of the interim unaudited condensed consolidated financial statements, they must be accompanied by a notice indicating that the interim condensed consolidated financial statements have not been reviewed by an auditor.

The accompanying interim unaudited condensed consolidated financial statements of the Company have been prepared by, and are the responsibility of, the Company's management. The Company's independent auditor has not performed a review of these interim condensed consolidated financial statements.

(Expressed in Canadian Dollars)

For The Period Ending June 30	2025	2024
Assets		
Cash	664	9,367
Accounts receivable		
Prepaid expenses	2,260	2,260
	2,924	**11,627**
Liabilities		
Accounts payable and accrued liabilities	104,982	95,290
Advance (Note 3)	27,515	17,515
	132,497	**112,805**
Shareholders' equity (deficit)		
Share capital (Note 4)	347,663	347,663
Contributed surplus (Note 4)	56,987	56,988
Deficit	(534,223)	(505,829)
Shareholders' equity (deficit)	**(129,573)**	**(101,178)**
	2,924	**11,627**

Approved by the Board	***(s) "Jonathan Graff"***	***(s) "Geoffrey Rotstein"***
	Director (Signed)	**Director (Signed)**

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

Cann-Is Capital Corp.
Unaudited Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

For The Period Ending June 30		2025		2024
Expenses				
Professional fees	$	24,718.00	$	19,975.00
Stock-based compensation				
Filing fees	$	6,312.00	$	6,312.00
Travel				
General & Admin	$	65.00	$	103.00
Net loss and comprehensive loss	**$**	**31,095.00**	**$**	**26,390.00**
Net loss per share – basic and diluted				
Weighted average shares outstanding - basic and diluted	$	5,217,518.00	$	5,217,518.00

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

Cann-Is Capital Corp.

Unaudited Condensed Interim Statements of Changes in Cash Flows
(Expressed in Canadian Dollars)

For The Period Ending June 30	**2025**	**2024**
Cash provided by (used in):		
Operating		
Net loss for the period	(31,095)	(26,390)
Change in prepaid expenses		
Change in accounts payable and accrued liabilities	14,186	14,724
	(16,909)	**(11,666)**
Investing	-	-
Financing		
Advance	10,000	17,515
Change in cash	(6,909)	5,849
Cash, beginning of period	7,573	3,518
Cash, end of period	**664**	**9,367**

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

Cann-Is Capital Corp.

Unaudited Condensed Interim Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Number of Shares		Share Capital		Contributed Surplus		Deficit	Shareholders' Equity (Deficit)
Balance, December 31, 2022	**5,217,518**	**$**	**347,663**		**$ 56,988**	**$**	**(422,942)**	**($ 18,291)**
Net loss for the year	-		-		-		(56,497)	(56,497)
Balance, December 31, 2023	**5,217,518**	**$**	**347,663**	**$**	**56,988**	**$**	**(479,439)**	**($ 74,788)**
Net loss for the period	-		-		-		(23,691)	(23,691)
Balance, December 31, 2024	**5,217,518**	**$**	**347,663**	**$**	**56,988**	**$**	**(503,130)**	**($ 98,479)**
Net loss for the period							($ 31,095)	($ 31,095)
Balance, June 30, 2025	**5,217,518**	**$**	**347,663**	**$**	**56,988**		**($ 534,225)**	**($ 129,574)**

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

1. INCORPORATION AND NATURE OF BUSINESS

Cann-Is Capital Corp. (the "Corporation") was incorporated under the Ontario Business Corporations Act on August 14, 2017.

On September 21, 2018, the Corporation completed its initial public offering of 2,945,000 common shares at a price of $0.10 per common share for gross proceeds of $294,500 as defined in the Policy 2.4 of the TSX Venture Exchange (the “Exchange”). As a result of this issuance, the Corporation now has 5,217,518 Common Shares issued and outstanding.

The Corporation paid a commission of 10% of gross proceeds to the Agent and granted the Agent an option to purchase common shares equal to 10% of the total number of Common Shares sold as part of the Offering for a period ending twenty-four months from the date the Corporation’s Common Shares are listed on the TSX Venture Exchange. The Corporation was also required to pay a corporate finance fee of $12,500 and reimbursed the Agent for legal fees and other reasonable expenses incurred pursuant to the Offering.

The Corporation entered into stock option agreements granting stock options to officers and directors to collectively acquire 200,000 of the outstanding common shares of the Corporation, at an exercise price of $0.10 per share and expiring ten years from the date of grant.

The principal business of the Corporation will be the identification and evaluation of assets or businesses with a view to completing a Qualifying Transaction ("QT"). The Corporation has not commenced commercial operations and has no assets other than cash held in trust and deferred offering costs. Given the nature of the activities, no separate segmented information is reported. The Corporation’s continuing operations, as intended, are dependent on its ability to secure equity financing with which it intends to identify and evaluate potential acquisitions of businesses, and once identified and evaluated, to negotiate an acquisition thereof or participation therein subject to receipt of regulatory and, if required, shareholders’ approval.

The proceeds raised from the issuance of share capital may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to the lesser of 30% of the gross proceeds realized by the Corporation in respect of the sale of its securities or $210,000, may be used for purposes other than evaluating businesses or assets. These restrictions apply until completion of a QT by the Corporation as defined under the policies of the Exchange. The Corporation is required to complete its QT on or before two years from the date the Corporation receives regulatory approval.

The head office and the registered head office of the Corporation is located at 100 King Street West, Suite 1600, Toronto, Ontario, M5X 1G5.

On August 19, 2025, the Board of Directors approved the financial statements for the period ending June 30, 2025.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These condensed consolidated interim financial statements, including comparatives, have been prepared in accordance and compliance with International Accounting Standards (“IAS”) 34 “Interim Financial Reporting” (“IAS 34”), using accounting policies consistent with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), and interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”).

Estimates

The preparation of financial statements in conformity with IFRS accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates used in the financial statements.

Basis of Presentation

The financial statements are presented in Canadian dollars (“CAD”), which is the Corporation’s functional and presentation currency. The financial statements have been prepared on a historical cost basis, except for certain financial instruments classified as fair value through profit or loss (“FVPTL”), which are measured at their fair value. The accounting policies have been applied consistently throughout the periods presented in these financial statements.

3. ADVANCE

During the six months ended June 30, 2025, the Corporation received an advance (the “Advance”) from CWE European Holdings Inc. (“CWE”), the qualifying transaction counterparty (see Note 8). The Advance is unsecured, non-interest-bearing, and has no specified repayment terms.

4. SHARE CAPITAL

(i) Authorized

Unlimited number of common shares without par value.

(ii) Issued and Outstanding Common Shares

The Corporation has 5,217,518 Common Shares issued and outstanding.

(iii) Escrowed Shares

During the year ending December 31, 2018, the Corporation issued 2,257,218 common shares at a price of $0.05 per share, for total proceeds of $112,862.

The issued and outstanding Escrowed Shares are held in escrow in accordance with the requirements of the Exchange.

All common shares acquired through the exercise of stock options granted to directors and officer prior to the completion of a Qualifying Transaction must also be deposited in escrow until the final Exchange bulletin is issued.

Additionally, all common shares of the Corporation acquired in the secondary market prior to the completion of a Qualifying Transaction by a Control Person, as defined under the policies of the Exchange, are required to be deposited in escrow. Subject to certain permitted exemptions, all securities of the Corporation held by principals of the resulting issuer will also be subject to escrow.

(In Canadian Dollars)

(iv) Non-Escrowed Shares

During the year ending December 31, 2018, the Corporation issued 2,945,000 common shares at a price of $0.10 per share, for gross proceeds of $294,500. The Corporation incurred share issuance costs of $46,515 related to this offering.

(v) Options and Warrants

The Corporation has established a stock option plan for its directors, officers, and consultants, under which the Corporation may grant options from time to time to acquire up to a maximum of 10% of the issued and outstanding common shares. The exercise price of each option granted under the plan is determined by the Board of Directors.

Options may be exercised for a maximum term of ten years from the date of the grant. They are non-transferable and expire 90 days after termination of employment or cessation of service as a director or officer of the Corporation. In the event of death, options expire one year after the date of death.

Upon death, the options may be exercised by the legal representative or designated beneficiary of the option holder. Any shares issued upon the exercise of options prior to the Corporation entering into a Qualifying Transaction will be subject to escrow restrictions. Unless otherwise specified, options vest in full upon grant.

The following table reflects the stock options:

	Number of Stock Options	Weighted Average Exercise Price ($)
Balance, December 31, 2022	**520,000**	**$0.10**
Balance, December 31, 2023	**520,000**	**$0.10**
Balance, March 31, 2024	**520,000**	**$0.10**
Balance, December 31, 2024	**520,000**	**$0.10**
Balance, June 30, 2025	**520,000**	**$0.10**

5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Capital Management

The Corporation's objective in managing capital is to maintain its ability to continue as a going concern, in order to provide returns for shareholders and benefits for other stakeholders.

The Corporation defines capital as equity, which is comprised of share capital and deficit.

The Corporation's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to support the identification and evaluation of potential acquisitions. To obtain the additional capital required to pursue these activities, the Corporation may seek to raise additional funds through the issuance of equity or by securing strategic partners.

The proceeds raised from the issuance of common shares may be used solely to identify and evaluate assets or businesses for future investment. However, an exception is permitted whereby the lesser of 30% of the gross proceeds from the share issuance or $210,000 may be allocated toward prescribed costs related with issuing the common shares, as well as administrative and general expenses of the Corporation. These restrictions remain in effect unitl the Corporation completes a Qualifying Transaction as defined under the Exchange Policy 2.4.

Risk Disclosures and Fair Values

The Corporation's financial instruments consist of cash held in trust and accounts payable and accrued liabilities. The fair values of these instruments approximate their carrying value due to their short-term nature. In the opinion of management, the Corporation is not exposed to significant interest rate, foreign currency, or credit risks arising from these financial instruments.

6. CONTINGENCY

There is no assurance that the Corporation will identify a business or asset that warrants acquisition or participation within the time limits permitted under the policies of the Exchange. If these limits are not met, the Exchange may suspend or delist the Corporation’s shares from trading.

7. RELATED PARTY TRANSACTIONS

No remuneration was paid to key management personnel during the six-month period ended June 30, 2024.

8. QUALIFYING TRANSACTION

On February 5, 2025, the Corporation announced that it had entered into a non-binding letter of intent with Mint Road Inc. (“Mint Road”), pursuant to which the Corporation proposes to acquire all of the issued and outstanding shares of Mint Road. The proposed transaction is an arm’s length transaction and is intended to constitute a “Qualifying Transaction” for the Corporation, as defined under the TSX Venture Exchange Policy 2.4. Upon completion of the Transaction, the resulting issuer intends to seek a listing of its shares on the TSXV. .

9. SUBSEQUENT EVENTS

On August 22, 2025 the Corporation announced that it has terminated the letter of intent with Mint Road as the definitive agreement in respect of such transaction was not entered into by the applicable deadline set out in the letter of intent.

On August 22, 2025 the Corporation also announced that it had entered into a non-binding letter of intent with Exiteam Capital Partners Ltd. (“Exiteam”) and Quark Investments Ltd. (“Quark” and together with Exiteam, the “Targets”), pursuant to which the Corporation proposes to acquire all of the issued and outstanding shares of the Targets. The proposed transaction is <u>not</u> an arm’s length transaction (as the Chief Financial Officer of the Corporation is a director and officer of Exiteam) and is intended to constitute a “Qualifying Transaction” for the Corporation, as defined under the TSX Venture Exchange Policy 2.4. Upon completion of the Transaction, the resulting issuer intends to seek a listing of its shares on the TSXV. The parties have agreed to negotiate the terms of a definitive agreement to formalize the Transaction.