



1933 INDUSTRIES INC.

Condensed Interim Consolidated Financial Statements

For the three and nine months ended April 30, 2026 and 2025

(Unaudited - Expressed in Canadian dollars)

Notice of Disclosure of Non-auditor Review of the Condensed Interim Consolidated Financial Statements For the three and nine months ended April 30, 2026 and 2025

Pursuant to National Instrument 51-102 Continuous Disclosure Obligations, part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review, the interim financial statements must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of 1933 Industries Inc. for the interim periods ended April 30, 2026 and 2025, have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting, as issued by the International Accounting Standards Board, and are the responsibility of management.

The independent auditors, MNP LLP, have not reviewed these unaudited condensed interim consolidated financial statements.

June 29, 2026

1933 INDUSTRIES INC.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Expressed in Canadian dollars)

	Note	April 30, 2026	July 31, 2025
		\$	\$
ASSETS			
Current			
Cash		536,569	545,977
Receivables	5	1,879,515	2,032,690
Inventory	6	2,502,032	2,925,940
Biological assets	7	703,405	599,113
Prepaid expenses and deposits	8	453,113	316,341
		6,074,634	6,420,061
Property and equipment	9	9,457,775	10,379,415
Total assets		15,532,409	16,799,476
LIABILITIES			
Current			
Accounts payable and accrued liabilities	10,15	2,929,710	3,481,491
Income tax payable		306,710	312,215
Current portion of lease liability	11	305,486	438,158
Convertible debentures	12	1,913,962	3,441,642
		5,455,868	7,673,506
Lease liability	11	13,348,901	13,724,110
Total liabilities		18,804,769	21,397,616
SHAREHOLDERS' DEFICIENCY			
Share capital	13(b)	85,131,165	83,891,761
Reserves	13(c)	10,801,106	10,800,598
Accumulated other comprehensive loss		(602,261)	(534,596)
Deficit		(98,602,370)	(98,755,903)
Total shareholders' deficiency		(3,272,360)	(4,598,140)
Total liabilities and shareholders' deficiency		15,532,409	16,799,476

Nature of operations and going concern (Note 1)

Approved and authorized for issue on behalf of the Board of Directors:

/s/ "Brian Farrell"
Director

/s/ "Paul Rosen"
Director

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

1933 INDUSTRIES INC.
Condensed Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(Unaudited - Expressed in Canadian dollars, except share numbers)

		Three months ended April 30, 2025		Nine months ended April 30, 2025	
	Note	2026	2025	2026	2025
		\$	\$	\$	\$
Revenues		4,291,276	4,730,261	12,201,267	13,136,626
Cost of sales		(3,029,295)	(2,235,878)	(9,153,399)	(7,878,358)
Gross profit, excluding fair value adjustments		1,261,981	2,494,383	3,047,868	5,258,268
Fair value adjustment on biological transformation		734,648	177,220	1,892,531	597,319
Fair value adjustment on sale of biological assets		(653,915)	(173,588)	(1,662,818)	(537,851)
Gross profit		1,342,714	2,498,015	3,277,581	5,317,736
Expenses					
Accretion expense	12	-	67,014	90,963	196,409
Depreciation	9	22,814	43,404	211,126	292,993
Gain on extinguishment of convertible debenture	12	-	-	(431,851)	-
Loss (gain) on sale of property and equipment	9	-	126	-	(14,572)
General and administration	14	221,598	312,590	557,096	823,100
Interest expense	11, 12	1,078	407,913	104,431	1,335,158
License taxes and insurance		465,813	924,460	1,474,266	2,218,761
Management and consulting fees	15	109,218	83,766	276,638	394,941
Other income		-	(30,865)	-	(31,032)
Professional fees	15	34,485	50,813	266,055	125,571
Share-based compensation	15	-	514	508	4,155
Wages and benefits		107,297	165,884	574,257	391,055
		962,303	2,025,619	3,123,489	5,736,539
Income (loss) before income tax expense		380,411	472,396	154,092	(418,803)
Current income tax expense		-	-	-	-
Net income (loss) for the period		380,411	472,396	154,092	(418,803)
Net income (loss) from discontinued operations	19	(255)	22,332	(559)	18,118
Foreign currency translation adjustment		193,436	(208,081)	(67,106)	(40,785)
Comprehensive income (loss) for the period		573,592	286,647	86,427	(441,470)
Net income (loss) attributable to:					
Shareholders of the Company		380,156	383,273	153,533	(531,791)
Non-controlling interest		-	111,455	-	131,106
Foreign currency translation adjustment attributable to:					
Shareholders of the Company		193,436	(97,705)	(67,106)	(61,054)
Non-controlling interest		-	(110,376)	-	20,269
Comprehensive income (loss) attributable to:					
Shareholders of the Company		573,592	285,568	86,427	(592,845)
Non-controlling interest		-	1,079	-	151,375
Net income (loss) per share					
Basic and diluted		0.00	0.00	0.00	(0.00)
Weighted average number of shares					
Basic and diluted		520,763,190	490,471,657	507,690,787	490,471,657

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

1933 INDUSTRIES INC.
Condensed Interim Consolidated Statements of Cash Flows
(Unaudited - Expressed in Canadian dollars)

	Nine months ended April 30,	
	2026	2025
	\$	\$
Operating activities		
Net income (loss) for the period	154,092	(418,803)
Adjustments for:		
Depreciation included in cost of sales	547,681	506,478
Change in fair value due to biological transformation	(1,892,531)	(597,319)
Change in fair value due to sale of biological assets	1,662,818	537,851
Accretion expense	90,963	196,409
Depreciation	211,126	292,993
Gain on extinguishment of debenture	(431,851)	-
Gain on sale of property and equipment	-	(14,572)
Interest on convertible debentures	100,839	229,844
Interest on note payable	-	1,119
Interest on lease	1,157,550	1,118,732
Share-based compensation	508	4,155
Changes in non-cash working capital:		
Receivables	153,175	(142,758)
Inventory	423,908	182,425
Biological assets	125,421	46,702
Prepaid expenses and deposits	(136,772)	(149,290)
Accounts payable and accrued liabilities	(552,508)	(489,041)
Income tax payable	(5,505)	-
Lease liability	(56,983)	-
Net cash provided by operating activities	1,551,931	1,304,925
Investing activities		
Proceeds from sale of property and equipment	-	149,617
Net cash provided by investing activities	-	149,617
Financing activities		
Repayment of lease liability	(1,445,615)	(1,049,987)
Repayment of convertible debenture	(47,500)	-
Net cash used in financing activities	(1,493,115)	(1,049,987)
Effect of exchange rate on changes in cash	(67,665)	(313,791)
Change in cash from discontinuing operations	(559)	24,581
Change in cash from continuing operations	(8,849)	90,764
Cash, beginning of period	545,977	449,184
Cash, end of period	536,569	564,529

Supplemental disclosure with respect to cash flows (Note 16)

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

1933 INDUSTRIES INC.
Condensed Interim Consolidated Statements of Changes in Shareholders' Deficiency

(Unaudited - Expressed in Canadian dollars, except share numbers)

	Common shares	Share capital	Reserves	Accumulated other comprehensive loss	Deficit	Non- controlling interest	Total shareholders' deficiency
	#	\$	\$	\$	\$	\$	\$
Balance, July 31, 2024	490,471,657	83,856,671	10,795,979	(787,569)	(97,399,298)	(1,301,255)	(4,835,472)
Share-based compensation	-	-	4,155	-	-	-	4,155
Non-controlling interest	-	-	-	-	-	131,106	131,106
Foreign currency translation adjustment	-	-	-	(61,054)	-	20,270	(40,784)
Net loss for the period	-	-	-	-	(531,791)	-	(531,791)
Balance, April 30, 2025	490,471,657	83,856,671	10,800,134	(848,623)	(97,931,089)	(1,149,879)	(5,272,786)
Shares issued - acquisition of AMA	5,503,450	35,090	-	-	(1,301,255)	1,133,061	(133,104)
Share-based compensation	-	-	464	-	-	-	464
Non-controlling interest	-	-	-	-	-	14,567	14,567
Foreign currency translation adjustment	-	-	-	314,027	-	2,251	316,278
Net loss for the period	-	-	-	-	476,441	-	476,441
Balance, July 31, 2025	495,975,107	83,891,761	10,800,598	(534,596)	(98,755,903)	-	(4,598,140)
Shares issued - conversion of convertible debentures	24,788,083	1,239,404	-	-	-	-	1,239,404
Share-based compensation	-	-	508	-	-	-	508
Foreign currency translation adjustment	-	-	-	(67,665)	-	-	(67,665)
Net loss for the period	-	-	-	-	153,533	-	153,533
Balance, April 30, 2026	520,763,190	85,131,165	10,801,106	(602,261)	(98,602,370)	-	(3,272,360)

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

1933 INDUSTRIES INC.**Notes to the Condensed Interim Consolidated Financial Statements****For the three and nine months ended April 30, 2026 and 2025**

(Unaudited - Expressed in Canadian dollars, except where noted)

1. NATURE OF OPERATIONS AND GOING CONCERN

1933 Industries Inc. (the "Company") was incorporated pursuant to the provisions of the Business Corporations Act of Alberta and later continued into the Province of British Columbia. The Company is a publicly traded company with its registered office located at 300 - 1055 West Hastings Street, Vancouver, British Columbia, Canada. The Company's common shares are listed under the symbol "TGIF" on the Canadian Securities Exchange and under the symbol "TGIF" on the OTCID.

The Company operates in the medical and recreational cannabis sectors in Nevada, USA. Alternative Medicine Association LLC ("AMA"), a 100% owned subsidiary of the Company, is licensed in the State of Nevada as (i) a cultivation facility; and (ii) a production facility for edible, or cannabis-infused products. Infused Mfg ("Infused"), a 100% owned subsidiary of the Company, was focused on developing, and manufacturing hemp and cannabidiol ("CBD") infused products and brands for retail sale and use in jurisdictions where permitted. During the year ended July 31, 2024, Infused operations were discontinued (Note 19).

While some states in the United States ("U.S.") have authorized the use and sale of cannabis, it remains illegal under federal law and the approach to enforcement of U.S. federal laws against cannabis is subject to change. The Company assumes certain risks due to conflicting state and federal laws because the Company engages in cannabis related activities in the U.S. The federal law relating to cannabis could be enforced at any time and this would put the Company at risk of being prosecuted and having its assets seized. The Company may be irreparably harmed by a change in enforcement policies of the federal government depending on the nature of such change.

Given the current illegality of cannabis under U.S. federal law, the Company's ability to access both public and private capital may be hindered by the fact that certain financial institutions are regulated by the U.S. federal government and are thus prohibited from providing financing to companies engaged in cannabis-related activities. The Company's ability to access public capital markets in the U.S. is directly hindered as a result. The Company may, however, be able to access public and private capital markets in Canada in order to support continuing operations.

Going concern

The Company has not yet achieved consistent profitable operations; however, during the three and nine months ended April 30, 2026, the Company reported net income of \$380,411 and \$154,092, respectively (2025 – net income of \$472,396 and net loss of \$418,803, respectively). As at April 30, 2026, the Company had an accumulated deficit of \$98,602,370 (2025 - \$98,755,903) and a working capital of \$618,766 (2025 – \$1,253,445). Included in current liabilities are outstanding convertible debentures with a maturity date of December 31, 2025. The Company does not currently have sufficient cash resources to settle these debentures and is therefore dependent on obtaining continued financial support from the debenture holders or securing additional financing. These factors represent a material uncertainty that may raise significant doubt regarding the Company's ability to continue as a going concern. As a result, the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

These condensed interim consolidated financial statements for the three and nine months ended April 30, 2026 and 2025 ("financial statements") have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least the next twelve months.

The Company evaluates whether the going concern assumption at each reporting period is appropriate and will consider removing the going concern and uncertainty note when the Company has sustainable profitable operations or is confident of obtaining additional debt, equity or other financing to fund ongoing operations until profitability is achieved. These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. Should the Company be unable to obtain additional capital in the future and the Company's ability to continue as a going concern be impaired, material adjustments may be necessary to these financial statements. Such adjustments could be material.

1933 INDUSTRIES INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended April 30, 2026 and 2025
(Unaudited - Expressed in Canadian dollars, except where noted)

2. BASIS OF PREPARATION

a) Statement of compliance

These unaudited financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Certain disclosures included in the annual financial statements prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") have been condensed or omitted, and accordingly, these unaudited financial statements should be read in conjunction with the Company's audited consolidated financial statements for the years ended July 31, 2025 and 2024.

These financial statements were approved by the Board of Directors and authorized for issue on June 29, 2026.

b) Basis of measurement

The financial statements have been prepared using the historical cost basis, except for biological assets, which are measured at fair value, as specified by IFRS Accounting Standards, as well as information presented in the consolidated statements of cash flows.

c) Functional and presentation currency

These financial statements are presented in Canadian dollars. The functional currency of the Company is the Canadian dollar. References to "CAD" are to Canadian dollars and "USD" or "USD\$" are to United States dollars.

d) Basis of consolidation

These financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and balances are eliminated on consolidation. Control exists where the parent entity has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are included in the financial statements from the date control commences until the date control ceases.

A summary of the Company's subsidiaries included in these financial statements as at April 30, 2026, is as follows:

Name of subsidiary	Abbreviation	Country of Incorporation	Percentage Ownership	Functional Currency	Principal Activity
1080034 B.C. Ltd.	0034 BC	Canada	100%	CAD	Inactive
1933 Management Services Inc.	FNM	USA	100%	USD	Holding company
1933 Legacy Inc.	Legacy	USA	100%	USD	Inactive
Infused Mfg LLC	Infused MFG	USA	100%	USD	Discontinued
FN Pharmaceuticals LLC	FNP	USA	100%	USD	Inactive
Alternative Medicine Association LLC	AMA	USA	100%	USD	Cannabis cultivation and production
AMA Productions LLC	AMA Pro	USA	100%	USD	Inactive
Spire Secure Logistics Inc.	Spire	Canada	100%	CAD	Inactive

3. MATERIAL ACCOUNTING POLICIES

These financial statements were prepared using accounting policies consistent with those in Note 3 to the Annual Financial Statements.

1933 INDUSTRIES INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended April 30, 2026 and 2025
(Unaudited - Expressed in Canadian dollars, except where noted)

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in accordance with IFRS requires the Company to make estimates and judgments, in applying accounting policies. Management continually evaluates these estimates and judgments based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and judgments which may cause a material adjustment to the carrying amounts of assets and liabilities. The Company's interim results are not necessarily indicative of its results for a full year. The significant estimates and judgments applied in the preparation of these financial statements are consistent with those applied and disclosed in Note 4 to the Annual Financial Statements.

5. RECEIVABLES

A summary of the Company's receivables is as follows:

	April 30, 2026	July 31, 2025
	\$	\$
Trade receivables	1,876,678	2,026,764
Other	2,837	5,926
	1,879,515	2,032,690

A summary of the Company's aging of receivables is as follows:

	April 30, 2026	July 31, 2025
	\$	\$
Current	1,448,421	1,449,656
1 – 30 days	174,214	414,782
31 – 60 days	65,346	81,468
61 – 90 days	48,466	95,405
> 90 days	310,337	164,285
	2,046,784	2,205,596
Expected credit loss provision	(167,269)	(172,906)
	1,879,515	2,032,690

A summary of the Company's Expected Credit Loss provision is as follows:

	\$
Balance, July 31, 2024	422,366
Provision for expected credit loss	45,804
Write off	(295,264)
Balance, July 31, 2025	172,906
Provision for expected credit loss	20,302
Recovery for expected credit loss	(25,939)
Balance, April 30, 2026	167,269

As at April 30, 2026, trade receivables are presented net of lifetime expected credit losses of \$167,269 (July 31, 2025 - \$172,906). During the three and nine months ended April 30, 2026, general and administration included a provision for expected credit losses on trade receivables of \$26,700 and \$20,302, respectively (2025 - \$15,359 and \$123,842, respectively).

1933 INDUSTRIES INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended April 30, 2026 and 2025
(Unaudited - Expressed in Canadian dollars, except where noted)

6. INVENTORY

A summary of the Company's inventory is as follows:

	April 30, 2026	July 31, 2025
	\$	\$
Raw materials	79,382	237,871
Harvested cannabis and trim	1,385,991	1,477,381
Cannabis oil and equivalent	234,837	481,720
Finished goods	801,822	728,968
	2,502,032	2,925,940

During the three and nine months ended April 30, 2026, the Company recorded \$3,029,295 and \$9,153,399, respectively (2025 - \$2,235,878 and \$7,878,358, respectively) for inventory expensed to cost of sales.

7. BIOLOGICAL ASSETS

A summary of the Company's biological assets is as follows:

	\$
Balance, July 31, 2024	425,729
Capitalized production costs	6,712,820
Transferred to inventory upon harvest	(6,541,339)
Effects of movement in foreign exchange	1,903
Balance, July 31, 2025	599,113
Capitalized production costs	4,049,796
Transferred to inventory upon harvest	(3,766,416)
Effects of movement in foreign exchange	(179,088)
Balance, April 30, 2026	703,405

As at April 30, 2026, the carrying value of biological assets comprises cannabis plants. On average, the grow cycle is approximately 6 weeks (July 31, 2025 - 6 weeks).

The fair value less costs to sell is estimated using an expected cash flow model which assumes the biological assets will grow to maturity, be harvested, converted into finished goods inventory, and sold in the retail cannabis market. The fair value measurement for biological assets is categorized as Level 3 (as defined in the fair value hierarchy - Note 17). These estimates are subject to volatility in market prices and several uncontrollable factors, which will be reflected in profit or loss on biological assets in future periods.

The following significant unobservable inputs, all of which are classified as Level 3 on the fair value hierarchy, were used by management as part of the model:

- Selling price - calculated as the weighted average selling price for all expected grades and strains of cannabis based on actual selling prices of the fair value of cannabis forms on a per pound basis.
- Yield per plant - represents the number of grams of finished cannabis that are expected to be obtained from each harvested cannabis plant.
- Stage of growth - represents the weighted average number of weeks out of the expected 6-week growing cycle that cannabis plants have reached as of the measurement date.
- Wastage - represents the weighted average percentage of cannabis plants expected to fail to mature to the point of harvest.
- Post-harvest processing costs - calculated as the cost per gram of harvested cannabis to convert into finished dry bulk flower ready to be packaged into finished goods.

1933 INDUSTRIES INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended April 30, 2026 and 2025
(Unaudited - Expressed in Canadian dollars, except where noted)

7. BIOLOGICAL ASSETS (continued)

A summary of the Company's significant unobservable inputs used in the model to estimate fair value less costs to sell is as follows:

	April 30, 2026	July 31, 2025
Estimated sales price per gram ⁽¹⁾	\$2.06	\$2.66
Weighted average stage of growth	6 weeks	6 weeks
Expected yield per plant	125 grams	172 grams
Wastage	0.15%	2.20%
Post-harvest processing cost per gram ⁽²⁾	\$0.75	\$0.98

(1) Estimated sales price per gram input is translated from USD\$1.51 (July 31, 2025 - USD\$1.92).

(2) Post-harvest processing cost per gram input is translated from USD\$0.55 (July 31, 2025 - USD\$0.71).

Increases in costs required up to the point of harvest, harvesting costs and selling costs will decrease the fair value of biological assets, while increases in sales price and expected yield for the cannabis plant will increase the fair value of biological assets.

A summary of the impact on the Company's net income and comprehensive income due to a 10% change of each input used in the estimation of fair value less costs to sell is as follows:

	April 30, 2026	July 31, 2025
	\$	\$
Estimated sales price per gram	163,703	65,688
Weighted average stage of growth	51,348	60,494
Expected yield per plant	51,630	60,494
Wastage	(2,338)	(627)
Post-harvest processing cost per gram	(59,239)	(27,023)

8. PREPAID EXPENSES AND DEPOSITS

A summary of the Company's prepaid expenses and deposits is as follows:

	April 30, 2026	July 31, 2025
	\$	\$
Prepaid expenses	215,438	74,827
Security deposit on leased facilities	237,675	241,514
	453,113	316,341

1933 INDUSTRIES INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended April 30, 2026 and 2025
(Unaudited - Expressed in Canadian dollars, except where noted)

9. PROPERTY AND EQUIPMENT

A summary of the Company's property and equipment is as follows:

	Leasehold improvements	Production equipment	Office equipment	Right of use assets	Total
	\$	\$	\$	\$	\$
Cost					
Balance, July 31, 2024	1,667,305	4,797,569	484,832	14,421,493	21,371,199
Additions	6,521	162,702	-	-	169,223
Disposals	-	(29,738)	(484,832)	-	(514,570)
Modifications	-	(145,653)	-	(344,291)	(489,944)
Effects of movement in foreign exchange	(264,001)	(199,758)	-	(365,579)	(829,338)
Balance, July 31, 2025	1,409,825	4,585,122	-	13,711,623	19,706,570
Additions	147,469	137,871	-	8,042	293,382
Disposals	-	(3,681,741)	-	-	(3,681,741)
Effects of movement in foreign exchange	(22,404)	(72,865)	-	(267,745)	(363,014)
Balance, April 30, 2026	1,534,890	968,387	-	13,451,920	15,955,197
Accumulated depreciation					
Balance, July 31, 2024	910,166	4,601,759	430,872	4,543,875	10,486,672
Depreciation	112,006	135,980	53,960	-	301,946
Disposals	-	(1,692)	(484,832)	-	(486,524)
Modification	-	-	-	(166,695)	(166,695)
Effects of movement in foreign exchange	(228,266)	(287,751)	-	(292,227)	(808,244)
Balance, July 31, 2025	793,906	4,448,296	-	4,084,953	9,327,155
Depreciation	74,114	102,795	-	581,898	758,807
Disposals	-	(3,681,741)	-	-	(3,681,741)
Effects of movement in foreign exchange	60,610	(123,042)	-	155,633	93,201
Balance, April 30, 2026	928,630	746,308	-	4,822,484	6,497,422
Carrying amount					
Balance, July 31, 2025	615,919	136,826	-	9,626,670	10,379,415
Balance, April 30, 2026	606,260	222,079	-	8,629,436	9,457,775

1933 INDUSTRIES INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended April 30, 2026 and 2025
(Unaudited - Expressed in Canadian dollars, except where noted)

9. PROPERTY AND EQUIPMENT (continued)

During the three and nine months ended April 30, 2026:

Total depreciation of property and equipment for the three and nine months ended April 30, 2026 was \$250,580 and \$758,807, respectively (2025 - \$275,193 and \$808,596, respectively). Of the total depreciation during three and nine months ended April 30, 2026, \$227,766 and \$547,681, respectively, was capitalized to inventory (2025 - \$231,789 and \$515,603, respectively). As a result of the capitalization to inventory, the Company recognized a depreciation expense for the three and nine months ended April 30, 2026, of \$22,814 and \$211,126, respectively (2025 - 43,404 and \$292,993, respectively) in profit or loss.

During the year ended July 31, 2025:

Total depreciation of property and equipment for the year ended July 31, 2025 was \$301,946 (2024 - \$2,094,108). Of the total depreciation during year ended July 31, 2025, \$130,485 was capitalized to inventory (2024 - \$1,993,824). As a result of the capitalization to inventory, the Company recognized a depreciation expense for the year ended July 31, 2025 of \$171,461 (2024 - \$100,284) in profit or loss.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

A summary of the Company's accounts payable and accrued liabilities is as follows:

	April 30, 2026	July 31, 2025
	\$	\$
Trade payables	2,010,730	3,001,919
Accrued liabilities	655,589	370,182
Payroll liabilities	263,391	109,390
	2,929,710	3,481,491

11. LEASE LIABILITY

A summary of the Company's lease liability is as follows:

	\$
Balance, July 31, 2024	13,852,011
Repayments	(1,524,638)
Addition	579,648
Modification of lease	(302,114)
Interest expense	1,550,890
Penalties and interest	150,000
Effects of movement in foreign exchange	(143,529)
Balance, July 31, 2025	14,162,268
Repayments	(1,445,615)
Interest expense	1,157,550
Effects of movement in foreign exchange	(219,816)
Balance, April 30, 2026	13,654,387
Current portion	305,486
Non-current portion	13,348,901

1933 INDUSTRIES INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended April 30, 2026 and 2025
(Unaudited - Expressed in Canadian dollars, except where noted)

11. LEASE LIABILITY (continued)

During the year ended July 31, 2023, the Company entered into an agreement with the landlord of its AMA manufacturing facility for a rent reduction for two years beginning July 1, 2023 and ending May 31, 2025. As a result of the amendments to the lease payments, the Company recognized a decrease to right of use asset of \$481,319 (USD\$365,272) resulting from the incremental decrease in lease liability. In consideration for the rent reductions, the Company issued a promissory note which will increase for the difference between the original rent payments and the amended rent reduction payments monthly up to USD\$400,000. Pursuant to the agreement, the promissory note will be forgiven on May 31, 2031 if the Company remains in compliance and in good standing with its lease obligations. In the event the Company defaults the outstanding principal of the promissory note and a penalty of USD\$50,000 will be due on demand. As at July 31, 2024, the Company is in good standing with its lease obligations.

During the year ended July 31, 2025, the Company entered into the following modifications to its existing lease arrangements:

The Company executed an amendment to extend the lease for its production facility for an additional three years. The extension resulted in a remeasurement of the associated lease liability based on the revised future lease payments discounted at the Company's incremental borrowing rate on the modification date.

The lease for the Company's Nevada head office was amended to reduce the number of units under lease and to extend the lease term for the unit being retained. The modification was accounted for as a partial termination of the original lease combined with a remeasurement of the remaining lease component, resulting in an adjustment to both the right-of-use asset and lease liability.

The lease for the cultivation facility was modified to reflect changes in the scheduled monthly lease payments as a result of missed payments during the year. The amendment also resulted in the recognition of additional interest and penalties charged by the landlord. These amounts were expensed in the period incurred and the lease liability was remeasured to reflect the revised payment schedule.

A summary of the Company's future minimum lease payments related to the leases are as follows:

	April 30, 2026
	\$
2025	1,790,646
2026	1,728,326
2027	1,624,680
2028	1,673,421
Thereafter	22,326,810
Total future minimum lease payments ¹	29,143,883
Effects of discounting	(15,489,496)
Total present value of minimum lease payments	13,654,387

¹ Total future minimum lease payments include true contractual obligations of the Company's leases with the option of renewal.

1933 INDUSTRIES INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended April 30, 2026 and 2025
(Unaudited - Expressed in Canadian dollars, except where noted)

12. CONVERTIBLE DEBENTURES

A summary of the Company's convertible debentures is as follows:

	2025 Debentures
	\$
Balance, July 31, 2024	2,869,327
Extinguishment of convertible debenture	265,015
Gain on extinguishment of debenture	307,300
Balance, July 31, 2025	3,441,642
Cash repayment	(47,500)
Gain on extinguishment of debenture	(431,851)
Accretion expense	90,963
Interest expense	100,112
Converted to common shares	(1,239,404)
Balance, April 30, 2026	1,913,962

On December 31, 2023, the maturity date of the convertible debentures was extended to December 31, 2025 through the settlement of the Amended Debentures excluding interest in arrears, and replacement through the issuance of 3,073,000 10% unsecured convertible debentures (the "2024 Debentures"). A cash payment of \$41,000 was paid to certain holders that did not renegotiate their terms. The 2024 Debentures have a one-year maturity date and are convertible into Units at a price of \$0.05 per unit. Each Unit is comprised of one common share and one common share purchase warrant entitling the holder to purchase one additional common share at a price of \$0.05 for a period of five years from the date of issuance of the new convertible debentures. As the terms of the 2024 Debentures are substantially different from those of the Amended Debentures, the Company treated this as an issuance of new convertible debentures and extinguishment of the Amended Debentures.

On September 9, 2025, the Company closed with two arm's length parties for the repurchase and cancellation of a portion of the Company's outstanding unsecured convertible debentures. Pursuant to the agreements, the Company repurchased \$475,000 in principal value of debentures for total cash consideration of \$47,500 and recognized a gain on extinguishment of debenture of \$431,851. Following the closing, the debentures were transferred, cancelled, and removed from the Company's outstanding liabilities.

On December 22, 2025, in accordance with the conversion terms of the Company's outstanding convertible debentures, an aggregate principal amount of \$1,035,000 was converted into units of the Company at a price of \$0.05 per unit and all accrued and unpaid interest will be settled through the issuance of common shares in accordance with the debenture terms. As a result, the Company issued 24,788,083 common shares and 20,700,000 share purchase warrants. Each warrant entitles the holder to acquire one additional common share at an exercise price of \$0.05 per share until December 31, 2028, subject to certain accelerated expiry provisions.

13. SHARE CAPITAL AND RESERVES

a) Authorized

Unlimited common shares with no par value and unlimited preferred shares issuable in series.

b) Issued common shares

As of April 30, 2026, there were 520,763,190 common shares outstanding (July 31, 2025 – 495,975,107).

On December 22, 2025, in accordance with the conversion terms of the Company's outstanding convertible debentures, an aggregate principal amount of \$1,035,000 was converted into units of the Company at a price of \$0.05 per unit and all accrued and unpaid interest will be settled through the issuance of common shares in accordance with the debenture terms. As a result, the Company issued 24,788,083 common shares and 20,700,000 share purchase warrants. Each warrant entitles the holder to acquire one additional common share at an exercise price of \$0.05 per share until December 31, 2028, subject to certain accelerated expiry provisions.

The Company had the following common share transaction during the year ended July 31, 2025:

- On May 30, 2025, the Company issued 5,503,450 common shares with the fair value of \$35,090 (\$25,000 USD) pursuant to the Membership Interest Purchase Agreement (the "MIPA") originally entered into between its wholly owned subsidiary, FN Pharmaceuticals, LLC, and for the acquisition of the Seller's remaining 9% membership interest in Alternative Medicine Association LLC ("AMA").

c) Reserves

A summary of the Company's reserves activity is as follows:

	Stock options	Convertible debentures	Warrants	Total
	\$	\$	\$	\$
Balance, July 31, 2024	6,461,791	64,491	4,269,697	10,795,979
Share-based compensation	4,619	-	-	4,619
Balance, July 31, 2025	6,466,410	64,491	4,269,697	10,800,598
Share-based compensation	508	-	-	508
Balance, April 30, 2026	6,466,918	64,491	4,269,697	10,801,106

d) Warrants

A summary of the Company's share purchase warrant activity is as follows:

	Number of warrants	Weighted average exercise price
	#	\$
Balance, July 31, 2025 and 2024	3,700,000	0.08
Expired	(3,700,000)	(0.08)
Issued	20,700,000	0.05
Balance, April 30, 2026	20,700,000	0.05

On November 9, 2025, a total of 3,700,000 share purchase warrants with an exercise price of \$0.08 expired.

1933 INDUSTRIES INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended April 30, 2026 and 2025
(Unaudited - Expressed in Canadian dollars, except where noted)

13. SHARE CAPITAL AND RESERVES (continued)

A summary of the Company's share purchase warrants outstanding and exercisable as at April 30, 2026 is as follows:

Expiry Date	Number of warrants #	Weighted average exercise price \$	Weighted average remaining life Years
December 31, 2028	20,700,000	0.05	2.67

e) Stock options

The Company has adopted a stock option plan (the "Plan") for its directors, officers, employees and consultants to acquire common shares of the Company at a price determined by the fair market value of the shares at the date immediately preceding the date on which the option is granted. The terms and conditions of the stock options are determined by the Board of Directors.

The aggregate number of stock options granted will not exceed 10% of the issued and outstanding common shares of the Company at the time of shareholder approval of the Plan, with no one individual being granted more than 5% of the issued and outstanding common shares. In addition, the exercise price of stock options granted under the Plan will not be lower than the exercise price permitted by the Canadian Securities Exchange, and all stock options granted under the Plan will have a maximum term of five years.

On November 8, 2025, a total of 10,550,000 stock options with an exercise price of \$0.10 expired

A summary of the Company's stock option activity is as follows:

	Number of options #	Weighted average exercise price \$
Balance, July 31, 2024	22,040,000	0.07
Expired	(1,750,000)	0.05
Balance July 31, 2025	20,290,000	0.08
Expired	(10,550,000)	0.05
Balance, April 30, 2026	9,740,000	0.05

A summary of the Company's stock options outstanding and exercisable as at April 30, 2026 is as follows:

Expiry date	Number of options #	Number of exercisable options #	Weighted average exercise price \$	Weighted average remaining life Years
August 24, 2027	8,740,000	8,740,000	0.05	1.32
October 27, 2028	1,000,000	1,000,000	0.05	2.50
	9,740,000	9,740,000	0.05	1.44

1933 INDUSTRIES INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended April 30, 2026 and 2025
(Unaudited - Expressed in Canadian dollars, except where noted)

14. GENERAL AND ADMINISTRATION

A summary of the Company's general and administration for the three and nine months ended April 30, 2026 and 2025 is as follows:

	Three months ended April 30,		Nine months ended April 30,	
	2026	2025	2026	2025
	\$	\$	\$	\$
Advertising, promotion and selling costs	25,295	17,857	71,791	98,969
Investor relations	2,629	2,500	7,526	6,500
Public company admin	2,753	3,467	5,979	38,975
Office expenses and general administration	156,143	266,334	432,053	524,455
Utilities	1,923	1,963	5,587	6,553
Provision for expected credit losses on receivables (Note 5)	26,700	15,359	20,302	123,842
Travel and entertainment	6,155	5,110	13,858	23,806
	221,598	312,590	557,096	823,100

15. RELATED PARTY TRANSACTIONS

Key management personnel include those persons having the authority and responsibility of planning, directing, and executing the activities of the Company. The Company has determined that its key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

A summary of the Company's related party transactions is as follows:

	Three months ended April 30,		Nine months ended April 30,	
	2026	2025	2026	2025
	\$	\$	\$	\$
Directors' fees	7,971	-	109,648	8,000
Management and consulting fees	109,974	84,979	276,638	396,031
Share-based compensation	-	447	508	3,520
	117,945	85,426	386,794	407,551

As at April 30, 2026, directors' fees of \$109,648 represent fees earned by directors for services rendered from the date of the last payment through to the reporting date. These balances are unsecured, non-interest bearing.

As at April 30, 2026, \$381,663 (July 31, 2025 - \$377,463) was owed to directors and officers or their related companies in respect of the services rendered and were included in accounts payable and accrued liabilities. These are non-interest bearing and payable on demand.

On May 22, 2025, the Membership Interest Purchase Agreement (the "MIPA") between the Company's wholly owned subsidiary, FN Pharmaceuticals, and Mr. Caleb Zobrist (the "Seller") was amended. Under the amended terms, FN Pharmaceuticals agreed to acquire the Seller's nine percent (9%) membership interest in Alternative Medicine Association LLC ("AMA") for total consideration of USD\$50,000, consisting of USD\$25,000 in cash and USD\$25,000 payable through the issuance of 5,503,450 common shares of 1933 Industries (the "Shares"). The number of Shares was determined using the 10-day VWAP as of November 27, 2024, the date on which the Nevada Cannabis Compliance Board approved the transactions contemplated under the MIPA. The Shares are subject to a Canadian hold period expiring October 1, 2025, and are also subject to applicable restrictions under the U.S. Securities Act of 1933, as amended.

The parties agreed to a closing date of May 30, 2025. Upon completion of the MIPA, FN Pharmaceuticals owns 100% of the membership interests in AMA, the Company's cultivation and production subsidiary.

16. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

A summary of the significant non-cash transactions and supplemental disclosure for the nine months ended April 30, 2026 and 2025 is as follows:

	2026	2025
	\$	\$
Cash interest on lease paid	1,157,550	1,118,732
Cash interest paid	-	1,119

17. FINANCIAL INSTRUMENT AND RISK MANAGEMENT

a) Fair value

IFRS 13 *Fair Value Measurement*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 - Inputs that are not based on observable market data.

The Company measures biological assets at fair value which is categorized as Level 3.

The carrying values of cash, receivables, accounts payable and accrued liabilities, and convertible debentures approximate their respective fair values due to the short-term nature of these instruments. The Company's financial instruments are classified as and measured at amortized cost.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

The types of risk exposure and the way in which such exposures are managed are as follows:

b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to fulfill its contractual obligations. The Company's credit risk relates primarily to cash and receivables. The Company minimizes its credit risk related to cash by placing cash with major financial institutions. The Company regularly reviews the collectability of its receivables. The Company considers the credit risk related to both cash and receivables to be minimal, as the amounts presented in the financial statements already show the expected recoverable amount, which, based on historical trends, is considered reasonable.

For the nine months ended April 30, 2026, the Company had three customers (2025 - five) which individually contributed 10% or more of the Company's total revenue. Collectively, these customers represented 44% of total revenue attributed to cannabis products for the nine months ended April 30, 2026 (2025 – five customers represented 85%)

1933 INDUSTRIES INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended April 30, 2026 and 2025
(Unaudited - Expressed in Canadian dollars, except where noted)

17. FINANCIAL INSTRUMENT AND RISK MANAGEMENT (continued)

c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company's liquidity risk relates primarily to accounts payable and accrued liabilities, lease liability, note payable, as well as convertible debentures. To mitigate this risk, the Company has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company endeavors to ensure that there is sufficient capital to meet short term business requirements. One of management's goals is to maintain an optimal level of liquidity through the active management of assets, liabilities and cash flows.

A summary of the Company's undiscounted financial liabilities as at April 30, 2026 is as follows:

	Within 1 year	1 - 3 years	Greater than 3 years	Total
	\$	\$	\$	\$
Accounts payable and accrued liabilities	2,929,710	-	-	2,929,710
Lease liability	1,790,646	5,026,427	22,326,810	29,143,883
Convertible debentures	1,913,962	-	-	1,913,962
	6,634,318	5,026,427	22,326,810	33,987,555

A summary of the Company's undiscounted financial liabilities as at July 31, 2025 is as follows:

	Within 1 year	1 - 3 years	Greater than 3 years	Total
	\$	\$	\$	\$
Accounts payable and accrued liabilities	3,481,491	-	-	3,481,491
Lease liability	1,798,773	5,192,296	23,965,778	30,956,847
Convertible debentures	3,073,000	-	-	3,073,000
	8,353,264	5,192,296	23,965,778	37,511,338

The Company's cash is deposited in major banks, which is available on demand to fund the Company's operating costs and other financial demands.

1933 INDUSTRIES INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended April 30, 2026 and 2025
(Unaudited - Expressed in Canadian dollars, except where noted)

17. FINANCIAL INSTRUMENT AND RISK MANAGEMENT (continued)

d) Foreign exchange risk

The Company's operational activities are conducted in the U.S. and is exposed to foreign exchange risk due to fluctuations in the U.S. dollar relative to the Canadian dollar. Foreign exchange risk arises from financial assets and liabilities that are denominated in U.S. dollars. The Company has not entered into any agreements or purchased any foreign currency hedging instruments to hedge possible currency risks at this time. Management believes the foreign exchange risk derived from currency conversions is significant.

A summary of the Company's financial assets and liabilities held in U.S. dollars, expressed in Canadian dollars, is as follows:

	April 30, 2026	July 31, 2025
	\$	\$
Cash	519,390	528,798
Receivables	1,749,977	1,917,722
Accounts payable and accrued liabilities	(2,173,436)	(2,768,526)
Income tax payable	(306,710)	(312,215)
Lease liability	(13,755,975)	(14,162,268)
Net financial liabilities	(13,966,754)	(14,796,489)

The effect on net income and comprehensive income for the nine months ended April 30, 2026 of a 10% change in Canadian dollar against the U.S dollar on the above-mentioned net financial liabilities of the Company is estimated to have an increase or decrease in foreign exchange gain or loss of \$1,396,675.

e) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not subject to any cash flow interest rate volatility as its convertible debentures and note payable are carried at a fixed interest rate throughout their term.

18. CAPITAL RISK MANAGEMENT

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to pursue the development of its business. The capital structure of the Company consists of shareholder's deficiency, which was \$3,272,360 as at April 30, 2026 (July 31, 2025 - \$4,598,140), and convertible debentures, which was \$1,913,962 as at April 30, 2026 (July 31, 2025 - \$3,441,642). The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets.

To maintain or adjust its capital structure, the Company may issue new equity instruments, new debt, or acquire and/or dispose of assets. The Company's ability to continue as a going concern is uncertain and dependent upon the continued financial support of its shareholders, future profitable operations, the lack of adverse political developments in the United States with respect to cannabis legislation and securing additional financing. As at April 30, 2026, the Company is not subject to externally imposed capital requirement.

1933 INDUSTRIES INC.
Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended April 30, 2026 and 2025
(Unaudited - Expressed in Canadian dollars, except where noted)

19. DISCONTINUED OPERATIONS

During the nine months ended April 30, 2026, the Company's subsidiary, Infused, ceased operations. This decision was prompted by a key customer halting purchases, and due to the declining CBD market which made it no longer economically feasible to continue operations. As a result, management ceased operations as of May 2024 and has classified these operations separately as discontinued operations.

A summary of the net (loss) income and comprehensive (loss) income from discontinued operations are as follows:

	Nine months ended April 30,	
	2026	2025
	\$	\$
Revenues	-	7,345
Cost of sales	-	(126)
Gross profit	-	7,219
Expenses (income)		
Depreciation	-	9,261
General and administration	455	(6,163)
License taxes and insurance	104	(13,996)
	559	(10,898)
Net (loss) income from discontinued operations before income tax	(559)	18,117
Income tax expense	-	-
Net (loss) income and comprehensive (loss) income from discontinued operations	(559)	18,117
Net (loss) earnings per share from discontinuing operations		
Basic and diluted	(0.00)	0.00
A summary of the statement of cash flow from discontinued operations is as follows:		
Net cash provided by operating activities	559	24,581
Net cash used in investing activities	-	-
Net cash used in financing activities	-	-
Change in cash from discontinuing operations	559	24,581