



# **INVENTRONICS LIMITED**

**2025 THIRD QUARTER**

**UNAUDITED FINANCIAL STATEMENTS**

**For the periods ended September 30, 2025 and 2024**

# INVENTRONICS LIMITED

## FINANCIAL STATEMENTS

### STATEMENT OF FINANCIAL POSITION

<i>As at</i> <i>(in thousands)</i>	September 30 2025 Unaudited	December 31 2024 Audited
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 1,132	\$ 836
Trade and other receivables <i>[Note 5]</i>	985	536
Inventories <i>[Note 6]</i>	897	966
Income taxes recoverable	-	100
Other current assets	72	31
	3,086	2,469
<b>Non-current</b>		
Property, plant and equipment	3,146	3,244
<b>Total Assets</b>	\$ 6,232	\$ 5,713
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>Current liabilities</b>		
Trade and other payables <i>[Note 8]</i>	\$ 821	\$ 747
Income taxes payable	146	-
Current portion of long-term debt <i>[Note 9]</i>	196	186
	1,163	933
<b>Non-current liabilities</b>		
Deferred tax liabilities	250	263
Long-term debt <i>[Note 9]</i>	2,101	2,250
<b>Total Liabilities</b>	3,514	3,446
<b>Shareholders' equity</b>		
Share capital <i>[Note 10]</i>	1,337	1,337
Contributed surplus	384	366
Retained earnings	997	564
<b>Total Shareholders' Equity</b>	2,718	2,267
<b>Total Liabilities and Shareholders' Equity</b>	\$ 6,232	\$ 5,713

See accompanying notes

**INVENTRONICS LIMITED**  
**FINANCIAL STATEMENTS**  
**STATEMENT OF COMPREHENSIVE INCOME**  
Unaudited

<i>For the periods ended September 30</i> <i>(in thousands, except per share amounts)</i>	Three months		Nine months	
	2025	2024	2025	2024
Revenue	\$ 2,078	\$ 1,611	\$ 6,695	\$ 5,005
Cost of sales <i>[Note 6]</i>	1,680	1,402	5,298	4,164
Gross profit	398	209	1,397	841
Selling and administration expense	212	133	711	488
Interest expense	33	33	102	107
Earnings, before income tax	153	43	584	246
Income tax	41	12	151	66
<b>Net earnings and comprehensive income</b>	<b>\$ 112</b>	<b>\$ 31</b>	<b>\$ 433</b>	<b>\$ 180</b>
Basic & diluted earnings per share <i>[Note 11]</i>	2.3¢	0.6¢	8.9¢	3.7¢

*See accompanying notes*

**INVENTRONICS LIMITED**  
**FINANCIAL STATEMENTS**  
**STATEMENT OF CASH FLOWS**  
Unaudited

<i>For the periods ended September 30</i> <i>(in thousands)</i>	<b>Three months</b>		<b>Nine months</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
<b>OPERATING ACTIVITIES</b>				
Net earnings	\$ 112	\$ 31	\$ 433	\$ 180
Add:				
Interest on long-term debt	33	32	101	107
Depreciation	45	54	135	152
Other items not involving cash	14	-	5	1
	204	117	674	440
Changes in non-cash working capital balances <i>[Note 12]</i>	367	119	(101)	425
Cash provided by operating activities	571	236	573	865
<b>FINANCING ACTIVITIES</b>				
Repayment of long-term debt <i>[Note 9]</i>	(47)	(44)	(139)	(130)
Interest on long-term debt	(33)	(32)	(101)	(107)
Dividends paid	-	-	-	(487)
Cash (used) by financing activities	(80)	(76)	(240)	(724)
<b>INVESTING ACTIVITIES</b>				
Acquisition of property, plant and equipment	(13)	(92)	(37)	(186)
Cash (used) by investing activities	(13)	(92)	(37)	(186)
Increase (decrease) in cash and cash equivalents	478	68	296	(45)
Cash and cash equivalents, beginning of the period	654	820	836	933
Cash and cash equivalents, end of the period	\$ 1,132	\$ 888	\$ 1,132	\$ 888

See accompanying notes

**INVENTRONICS LIMITED**  
**FINANCIAL STATEMENTS**  
**STATEMENT OF CHANGES IN EQUITY**  
Unaudited

<i>(in thousands)</i>	Share capital	Contributed surplus	Retained Earnings	Total Shareholders ' equity
Balance, December 31, 2023	\$ 1,337	\$ 364	\$ 1,113	\$ 2,814
Option expense	-	1	-	1
Dividend declared	-	-	(487)	(487)
Net earnings for the nine months ended September 30, 2024	-	-	180	180
Balance, September 30, 2024	\$ 1,337	\$ 365	\$ 806	\$ 2,508
Balance, December 31, 2024	\$ 1,337	\$ 366	\$ 564	\$ 2,267
Option expense	-	18	-	18
Net earnings for the nine months ended September 30, 2025	-	-	433	433
Balance, September 30, 2025	\$ 1,337	\$ 384	\$ 997	\$ 2,718

See accompanying notes

# INVENTRONICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the periods ended September 30, 2025 and 2024  
Unaudited

### 1. DESCRIPTION OF BUSINESS

Inventronics Limited ("Corporation"), a corporation publicly traded on the TSX Venture Exchange under the symbol IVX is an individual entity incorporated in Alberta, Canada that is not part of any group of other entities. The Corporation, with its operations located in Brandon, Manitoba, designs and manufactures protective enclosures and related products for the telecommunication, cable, electric distribution, energy, and other industries in Canada and the United States.

### 2. DATE OF AUTHORIZATION FOR ISSUE

The Corporation's financial statements were authorized for issue on October 23, 2025 by the Corporation's Board of Directors.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

These unaudited interim financial statements of the Corporation have been prepared by management in accordance with IFRS<sup>®</sup> Accounting Standards ("IFRS") using accounting policies and methods applied in the preparation of the Corporation's audited annual financial statements for the year ended December 31, 2024. As such, these interim financial statements do not include all disclosures with respect to the requirements under IFRS for annual financial statements and thus should be read in conjunction with the Corporation's 2024 audited annual financial statements. The accounting principles applied are on the basis that the Corporation is a going concern, which assumes that the Corporation will continue operations into the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Management routinely plans future activities including forecasting cash flows using detailed projections that are based in part on historical experience as well as anticipated revenue and profit streams. All amounts in these financial statements are reported in Canadian dollars unless specifically stated to the contrary.

### 4. ADOPTION OF NEW ACCOUNTING STANDARDS

Accounting pronouncements that became effective during the period covered by these unaudited interim financial statements did not have a material impact on the Corporation's reporting. Likewise, accounting pronouncements issued, but not effective until after September 30, 2025, are not expected to have a material impact on the Corporation's financial statements.

### 5. TRADE AND OTHER RECEIVABLES

<i>As at</i> <i>(in thousands)</i>	September 30 2025	December 31 2024
Trade receivables	\$ 985	\$ 536

At September 30, 2025, based on management's review, no provision for doubtful accounts was recorded (2024 - \$Nil).

### 6. INVENTORIES

<i>As at</i> <i>(in thousands)</i>	September 30 2025	December 31 2024
Raw materials	\$ 729	\$ 800
Work-in-progress	40	16
Finished goods	128	150
	\$ 897	\$ 966

For the nine months ended September 30, 2025, the Corporation expensed inventory costs of \$4,023 (September 30, 2024 - \$3,134) through cost of sales. At September 30, 2025, the provision for net realizable value was \$35 (December 31, 2024 - \$25).

### 7. BANK CREDIT FACILITIES

The Corporation has a demand operating credit facility in the form of an overdraft lending account which provided an authorized limit of \$1,200 with an interest rate of prime plus 0.90% (December 31, 2024 – prime plus 0.90%) for an effective rate of 5.6% (December 31, 2024 – 6.35%). At September 30, 2025, an amount of \$1,200 under this facility was available, of which \$Nil was drawn (September 30, 2024 - \$1,200 available and \$Nil was drawn). The credit facility does not contain any financial covenants and is secured by a general security agreement over accounts receivable and inventory. The Corporation also has an equipment financing facility in the amount of \$1,500 (December 31, 2024 - \$1,500), to be used when necessary to finance equipment additions.

# INVENTRONICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the periods ended September 30, 2025 and 2024

Unaudited

### 8. TRADE AND OTHER PAYABLES

<i>As at</i> <i>(in thousands)</i>	September 30 2025	December 31 2024
Trade payables and other accrued expenses	\$ 560	\$ 462
Payroll accruals	236	282
Government remittances payable	25	3
	<u>\$ 821</u>	<u>\$ 747</u>

### 9. LONG-TERM DEBT

<i>As at</i> <i>(in thousands)</i>	September 30 2025	December 31 2024
Fixed rate mortgage bearing interest of 5.25% until April 2034; maturing in 2043; repayable monthly in blended principal and interest installments of \$14; secured by a first mortgage on the Corporation's manufacturing facility and land in Brandon, Manitoba, a general security agreement providing a security interest in all of the Corporation's present and after acquired personal property but accepting a subordinate position to all existing registered charges.	\$ 1,879	\$ 1,927
Fixed rate equipment loan bearing interest of 7.5% and maturing in September 2028; repayable monthly in blended principal and interest installments of \$13; secured by a first claim on the financed equipment.	418	509
	<u>2,297</u>	<u>2,436</u>
Less: current portion	196	186
Long-term portion of long-term debt	<u>\$ 2,101</u>	<u>\$ 2,250</u>

Although containing general performance conditions, the loan agreements do not contain any financial covenants that must be periodically tested. The Corporation is in compliance with all obligations pertaining to these agreements and the fair values of these loans approximate their carrying values.

### 10. SHARE CAPITAL

An unlimited number of common shares, with no par value, are authorized for issue. The authorized, issued and outstanding common shares of the Corporation, which are fully paid, are as follows:

<i>For the</i> <i>(dollar amounts in thousands)</i>	Nine months ended September 30, 2025		Twelve months ended December 31, 2024	
	Number of shares	Amount	Number of shares	Amount
Outstanding, beginning of period	4,871,145	\$ 1,337	4,871,145	\$ 1,337
Options exercised	-	-	-	-
Outstanding, end of period	<u>4,871,145</u>	<u>\$ 1,337</u>	<u>4,871,145</u>	<u>\$ 1,337</u>

#### **Stock option plan**

Inventronics maintains a stock option plan providing the Corporation the ability to grant options to employees and directors to purchase one common share of the Corporation per option. At September 30, 2025, there were 480,000 options outstanding with an average exercise price of \$0.575 per share (December 31, 2024 – 50,000 at \$1.65/share). In the second quarter of 2025, there were 430,000 options granted to the directors of the Corporation at an exercise price of \$0.45 per share, vesting over two years from the date of grant, and expiring at the end of five years.

The fair value of stock options granted in 2025 was \$60 as determined using a Black-Scholes option-pricing model which employed a risk-free interest rate of 2.75%, expected life of 5 years, expected future volatility of 76%, dividend rate of 10%, and no forfeiture rate. The resulting fair values of the stock options granted will be recognized as compensation costs over the vesting period. To date in 2025, the Corporation recognized option expense of \$18 (2024 – \$1) related to stock options.

There has been no other activity related to the Corporation's stock option plan since September 30, 2025.

# INVENTRONICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the periods ended September 30, 2025 and 2024

Unaudited

### 11. EARNINGS PER SHARE

<i>For the periods ended September 30</i> <i>(dollar amounts in thousands, except per share amounts)</i>	Three months		Nine months	
	2025	2024	2025	2024
Net earnings	\$ 112	\$ 31	\$ 433	\$ 180
Weighted average common shares outstanding	4,871,145	4,871,145	4,871,145	4,871,145
Basic earnings per share	2.3¢	0.6¢	8.9¢	3.7¢
Diluted earnings per share	2.3¢	0.6¢	8.9¢	3.7¢

### 12. SUPPLEMENTARY CASH FLOW INFORMATION

<i>For the periods ended September 30</i> <i>(in thousands)</i>	Three months		Nine months	
	2025	2024	2025	2024
Changes in non-cash working capital balances:				
Trade and other receivables	\$ 271	\$ 218	\$ (449)	\$ (363)
Inventories	78	208	69	213
Other current assets	(1)	7	(41)	(24)
Trade and other payables	(22)	(481)	74	246
Income tax	41	167	246	353
	\$ 367	\$ 119	\$ (101)	\$ 425

### 13. RELATED PARTY TRANSACTIONS

The four-person senior management team are members of Inventronics' Board of Directors ("Board") and receive no compensation for their service as Board members. The Corporation pays fixed and variable compensation to its senior management team for their employment services. For the three and nine months ended September 30, 2025, the Corporation expensed \$232 (2024 - \$144) and \$740 (2024 - \$465), respectively, related to those compensation arrangements.