

Vitreous Glass Inc.
Condensed Interim Financial Statements
For the three and nine months ended June 30, 2025 and 2024
Stated in Canadian Dollars
(unaudited)

NOTICE OF NO AUDITOR'S REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 41-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Vitreous Glass Inc. 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 financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

Calgary, Canada

August 7, 2025

Vitreous Glass Inc.

Condensed Interim Statements of Financial Position

As at June 30, 2025

Stated in Canadian Dollars

(unaudited)

As at	Note	June 30, 2025	September 30, 2024
ASSETS			
Current assets			
Cash and cash equivalents		2,479,710	1,884,450
Accounts receivable		630,758	492,651
Inventory	3	711,726	668,937
Prepaid expenses		84,289	44,859
Total current assets		3,906,483	3,090,897
Non-current assets			
Property, plant and equipment		1,929,935	1,987,174
Right of use asset	4	-	45,178
Total assets		5,836,418	5,123,249
LIABILITIES AND SHAREHOLDERS EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		944,225	659,669
Taxes payable		40,190	31,510
Current portion of lease liability	4	-	21,642
Total current liabilities		984,415	712,821
Non-current liabilities			
Lease liability	4	-	37,806
Deferred share unit liability	5	208,590	94,605
Deferred income taxes		234,217	258,410
Total non-current liabilities		442,807	390,821
Total liabilities		1,427,222	1,103,642
Shareholders' Equity			
Share capital		2,929,186	2,929,186
Contributed surplus		150,787	105,521
Retained earnings		1,329,222	984,900
Total shareholders' equity		4,409,195	4,019,607
Total liabilities and shareholders' equity		5,836,418	5,123,249

Subsequent events (Note 10)

Approved by the Board of Directors

(signed) "J. Patrick Cashion"
Director

(signed) "Timothy H. Rendell"
Director

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

Vitreous Glass Inc.

Condensed Interim Statements of Income and Comprehensive Income

For the three and nine months ended June 30, 2025

Stated in Canadian Dollars

(unaudited)

	Note	Three months ended June 30		Nine months ended June 30	
		2025	2024	2025	2024
Sales		3,727,895	2,488,563	10,119,058	7,271,041
Cost of sales	3	2,021,213	1,134,734	5,540,918	3,422,985
Depreciation		33,829	30,071	101,487	90,214
Amortisation of right of use asset		-	4,258	8,515	12,773
Total cost of goods sold		2,055,042	1,169,063	5,650,920	3,525,972
Gross margin		1,672,853	1,319,500	4,468,138	3,745,069
Expenses					
General and administrative	6	581,326	454,044	1,548,293	1,300,891
Share based compensation	5	11,846	1,743	131,183	5,134
Depreciation		2,239	2,080	6,716	6,239
Total expenses		595,411	457,867	1,686,192	1,312,264
Income from operations		1,077,442	861,633	2,781,946	2,432,805
Gain on derecognition of the right-of-use asset and lease liability	4	-	-	8,285	-
Gain on disposal of property, plant and equipment		-	-	-	12,500
Income before income tax		1,077,442	861,633	2,790,231	2,445,305
Income tax					
Current		259,353	203,118	695,998	572,370
Deferred		(24,193)	-	(24,193)	-
Total income taxes		235,160	203,118	671,805	572,370
Net income and comprehensive income		842,282	658,515	2,118,426	1,872,935
Earnings per share	5				
Basic		0.13	0.10	0.33	0.30
Diluted		0.13	0.10	0.33	0.30

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

Vitreous Glass Inc.

Condensed Interim Statements of Changes in Shareholders' Equity

For the three and nine months ended June 30, 2025

Stated in Canadian Dollars except number of common shares

(unaudited)

	Note	Common shares	Share capital	Contributed surplus	Retained earnings	Total shareholders' equity
Balance – September 30, 2023		6,310,042	2,915,634	119,073	1,118,989	4,153,696
Net income and comprehensive income		-	-	-	1,872,935	1,872,935
Options exercised in the period	5	26,045	13,552	-	-	13,552
Options cancelled in the period	5	-	-	(13,552)	-	(13,552)
Dividends paid	5	-	-	-	(1,898,222)	(1,898,222)
Balance – June 30, 2024		6,336,087	2,929,186	105,521	(1,093,702)	4,128,409
Balance – September 30, 2024		6,336,087	2,929,186	105,521	984,900	4,019,607
Net income and comprehensive income		-	-	-	2,118,426	2,118,426
Share based compensation	5	-	-	45,266	-	45,266
Dividends paid	5	-	-	-	(1,774,104)	(1,774,104)
Balance – June 30, 2025		6,336,087	2,929,186	150,787	1,329,222	4,319,495

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

Vitreous Glass Inc.

Condensed Interim Statements of Changes in Cash Flows

For the three and nine months ended June 30, 2025

Stated in Canadian Dollars

(unaudited)

		Three months ended		Nine months ended	
	Note	2025	2024	2025	2024
		June 30	June 30	June 30	June 30
Cash and cash equivalents provided by (used in) the following:					
Operating activities					
Net income for the period		842,282	658,515	2,118,426	1,872,935
Add (deduct) items not affecting cash:					
Depreciation in cost of sales		33,829	30,071	101,487	90,214
Depreciation in expenses		2,239	2,080	6,716	6,239
Amortisation of right of use asset		-	4,258	8,515	12,773
Interest on lease liability		-	810	1,500	2,612
Share based compensation	5	11,846	1,743	131,183	5,134
Unrealized loss on deferred share unit liability	5	26,933	-	28,068	-
Deferred income tax		(24,193)	-	(24,193)	-
Gain on disposal of property, plant and equipment		-	-	-	(12,500)
Gain on derecognition of the right-of-use asset and lease liability	4	-	-	(8,285)	-
Changes in non-cash working capital	7	(204,725)	119,200	70,912	(213,129)
Net cash provided by operating activities		688,211	816,677	2,434,329	1,764,278
Financing activities					
Lease payments		-	(6,000)	(14,000)	(18,000)
Dividends paid	5	(760,330)	(633,609)	(1,774,104)	(1,898,222)
Net cash used in financing activities		(760,330)	(639,609)	(1,788,104)	(1,916,222)
Investing activities					
Additions of property, plant and equipment		(14,723)	-	(50,965)	(139,770)
Net cash used in investing activities		(14,723)	-	(50,965)	(139,770)
Cash (outflow) inflow		(86,842)	177,068	595,260	(291,714)
Cash and cash equivalents, beginning of period		2,566,552	1,796,090	1,884,450	2,264,872
Cash and cash equivalents, end of the period		2,479,710	1,973,158	2,479,710	1,973,158

The amounts paid for income taxes are included in cash flows from operating activities in the statement of cash flows:

Income taxes paid

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

Vitreous Glass Inc.

Notes to the Condensed Interim Financial Statements

For the three and nine months ended June 30, 2025

Stated in Canadian dollars unless otherwise noted

(unaudited)

1. Description of the Business

Vitreous Glass Inc. ("Vitreous" or the "Company") cleans, crushes and sells waste glass to the fiberglass manufacturing industry in the province of Alberta. Vitreous' common shares are listed and posted for trading on the TSX Venture Exchange under the symbol VCI.

The head office and principal address of the Company is 212 East Lake Blvd., Airdrie, Alberta, T4A 0H5.

2. Basis of Preparation

Statement of compliance

These condensed interim financial statements have been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting, and have been prepared following the same accounting policies as those used in preparing the most recent annual financial statements. These condensed interim financial statements have been prepared on the historical cost basis, except for financial instruments which are recognized at fair value. These condensed interim financial statements do not include all the disclosures required for the preparation of annual financial statements. Accordingly, these condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended September 30, 2024.

These condensed interim financial statements were approved and authorized for issuance by the Board of Directors on August 7, 2025.

Basis of measurement

The financial statements have been prepared on the historical cost basis, except as permitted by IFRS and as otherwise indicated within these notes. These financial statements are stated in Canadian dollars which is the Company's functional currency and have been prepared on a going concern basis.

The condensed interim financial statements have been prepared on a going concern basis with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business.

Critical Accounting Estimates and Judgments

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions that affect the carrying amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses for the periods presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, the results of which form the basis of the valuation of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

There are no new critical accounting estimates and judgments for the three and nine months ended June 30, 2025 other than those previously disclosed in the annual financial statements for the year ended September 30, 2024.

Material accounting policies

These condensed interim financial statements have been prepared, for all periods presented, following the same accounting policies and methods of computation as the annual financial statements for the year ended September 30, 2024.

Vitreous Glass Inc.

Notes to the Condensed Interim Financial Statements

For the three and nine months ended June 30, 2025

Stated in Canadian dollars unless otherwise noted

(unaudited)

3. Inventory

Inventory as at	June 30, 2025	September 30, 2024
Raw material	222,715	219,719
Crushed glass	40,144	40,144
Spare parts	448,867	409,074
	711,726	668,937

Cost of sales	Three months ended June 30		Nine months ended June 30	
	2025	2024	2025	2024
Cost of raw glass sold	1,438,730	625,382	3,885,654	1,841,238
Salaries and employee benefits	285,509	251,751	823,956	766,185
Repair and maintenance	126,416	97,136	289,458	296,256
Other facility operating costs	170,558	160,465	541,850	519,306
	2,021,213	1,134,734	5,540,918	3,422,985

4. Leases

The Company incurs lease payments related to its land lease for the storage of inventory. The right-of-use asset and associated lease liability relate to real estate asset. During the second quarter of 2025, the Company terminated the land lease prior to maturity date. The Company realized a gain on derecognition of the right-of-use asset and lease liability of \$8,285 during the period.

Right-of-use asset

Net book value	Total
Balance at September 30, 2024	45,178
Amortization during the period	(8,515)
Asset disposition	(36,663)
Balance at June 30, 2025	-

Lease liability

Liability	Total
Balance at September 30, 2024	59,448
Interest expense	1,500
Payments	(16,000)
Lease disposal	(44,948)
Balance at June 30, 2025	-

Vitreous Glass Inc.

Notes to the Condensed Interim Financial Statements

For the three and nine months ended June 30, 2025

Stated in Canadian dollars unless otherwise noted

(unaudited)

5. Share capital

a) Common shares

Authorized: Unlimited number of common shares without nominal or par value.

Common shares issued are as follows:

	2025	2024
Number of common shares outstanding, September 30	6,336,087	6,310,042
Issued during the period	-	26,045
Number of common shares outstanding, June 30	6,336,087	6,336,087

b) Stock option plan

The Company has established a stock option plan for the benefit of the directors, officers, employees and consultants of the Company. Options granted under the plan have a five-year term and have vesting periods as determined by the Company's directors at the date of grant. The exercise price of each option equals the market price of the Company's shares at the date of grant.

A summary of the status of the Company's stock option plan follows:

	2025		2024	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, September 30	-	-	150,000	\$3.28
Granted	99,999	\$5.10	-	-
Exercised	-	-	(50,000)	\$2.75
Expired	-	-	(100,000)	\$3.55
Outstanding, June 30	99,999	\$5.10	-	-
Exercisable, June 30	33,333	\$5.10	-	-

2025

On December 20, 2024, the Company granted 99,999 stock options to an executive officer of the Company. One third of the options granted vest immediately, one third vest one year from the grant date and the final third vest two years from the grant date. The stock options expire in 5 years from the date of grant and each stock option is exercisable into one common share at \$5.10.

The fair value of stock options granted determined on December 20, 2024 was \$89,304 with \$45,266 expensed during the nine months ended June 30, 2025 and the remaining to be expensed over the vesting period. The fair value was estimated using the Black-Scholes option pricing model with the following assumptions:

Share price	\$5.10
Option exercise price	\$5.10
Expected life (years)	5
Risk-free interest rate	3.04%
Expected volatility	42%
Expected annual dividends (per share)	\$0.40

A forfeiture rate of NIL% was used when calculating the share based compensation expense.

Vitreous Glass Inc.

Notes to the Condensed Interim Financial Statements

For the three and nine months ended June 30, 2025

Stated in Canadian dollars unless otherwise noted

(unaudited)

5. Share capital (continued)

c) *Deferred Share Unit Plan*

Effective June 2022, the Company approved a Deferred Share Unit Plan ("DSU Plan") ("DSUs") whereby the Directors may approve the granting of DSUs to eligible directors and eligible employees. DSUs granted under the DSU Plan vest not later than the date which is one year following the grant date and have an expiration date ten years after the grant date. Upon the termination date of a DSU holder or upon the expiry date, whichever occurs first, the DSU holder is entitled to a cash payment equal to the number of DSUs held multiplied by the closing market value per share of the Company at the termination date.

	2025	2024
Number of DSUs outstanding, September 30	18,089	16,785
Number of DSUs granted during the period	16,734	970
Number of DSUs outstanding, June 30	34,823	17,755

	2025	2024
DSU liability, September 30	94,605	89,800
Share based compensation expense during the period	85,917	4,805
Valuational adjustment to record unrealized loss on DSU liability	28,068	-
DSU liability, June 30	208,590	94,605

d) *Earnings per share*

The weighted average number of common shares used in the calculation of earnings per share is as follows:

For the nine months ended	June 30, 2025	June 30, 2024
Basic	6,336,087	6,336,087
Diluted	6,336,087	6,336,087

e) *Dividends paid*

During the three months ended June 30, 2025, the Company declared and paid dividends of \$760,330 (2024 - \$633,609) on its common shares being \$0.12 (2024 - \$0.10) per share. During the nine months ended June 30, 2025 the Company declared and paid dividends of \$1,774,104 (2024 - \$1,898,222) on its common shares being \$0.28 (2024 - \$0.30) per share.

Vitreous Glass Inc.

Notes to the Condensed Interim Financial Statements

For the three and nine months ended June 30, 2025

Stated in Canadian dollars unless otherwise noted

(unaudited)

6. General and administrative expenses

	Three months ended June 30		Nine months ended June 30	
	2025	2024	2025	2024
Salaries, employee benefits and director fees	75,706	73,884	231,678	224,991
Cash flow and profit sharing	383,780	308,218	1,033,155	870,121
Professional and consulting	20,750	2,000	62,250	6,000
Interest earned on bank deposits	(17,193)	(8,317)	(63,509)	(45,815)
Loss on valualational adjustment of DSU liability	26,933	-	28,068	-
Other general expenses	91,350	78,259	256,651	245,593
	581,326	454,044	1,548,293	1,300,890

7. Changes in non-cash working capital

	Three months ended June 30		Nine months ended June 30	
	2025	2024	2025	2024
Funds provided by (used in):				
Accounts receivable	(26,757)	26,585	(138,107)	(135,257)
Inventory	(28,222)	(48,447)	(42,789)	78,139
Prepaid expenses	11,076	5,992	(41,428)	(33,514)
Accounts payable and accrued liabilities	(185,917)	133,418	284,556	(81,331)
Income taxes payable	25,095	1,652	8,680	(41,166)
	(204,725)	119,200	70,912	(213,129)

8. Economic dependence

During the three and nine months ended June 30, 2025 and 2024, all sales were to three customers in the fiberglass manufacturing industry of which two customers exceeded 10% of total sales. In the three months ended June 30 2025, sales to each of these two customers represented 34.3% (2024 – 52.9%) and 58.5% (2024 – 38.6%) of total sales. In the nine months ended June 30, 2025, sales to each of these two customers represented 39.0% (2024 – 52.3%) and 54.4% (2024 – 39.6%) of total sales.

Vitreous Glass Inc.

Notes to the Condensed Interim Financial Statements

For the three and nine months ended June 30, 2025

Stated in Canadian dollars unless otherwise noted

(unaudited)

9. Financial instruments and risk management

a) Risk management overview

The Company's activities expose it to a variety of financial risks including credit risk, liquidity risk and market risk. This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements. The Company employs risk management strategies and policies to ensure that any exposure to risks are in compliance with the Company's business objectives and risk tolerance levels. While the Board of Directors has the overall responsibility for the Company's risk management framework, Vitreous' management has the responsibility to administer and monitor these risks.

b) Fair values of financial instruments

The fair value of the Company's cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their carrying value due to immediate or short-term maturity of these financial instruments.

Financial instruments recorded at fair value on the statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - reflects valuation based on quoted prices observed in active markets for identical assets or liabilities.

Level 2 - reflects valuation techniques based on inputs that are quoted prices of similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - reflects valuation techniques with significant unobservable market inputs.

All financial instruments are recorded using level 1 valuation except for options which are valued using level 3 inputs. There has been no reclassification of financial instruments between valuation levels during the three and nine months ended June 30, 2025 or 2024.

c) Credit risk

Credit risk is the risk of financial loss to the Company if any counterparty fails to discharge its obligations.

Accounts receivable consists of sales of crushed glass to fiberglass manufacturers and as such, are subject to normal industry credit risks. The Company grants unsecured credit but routinely assesses the financial strength of its customers.

At June 30, 2025, 64.5% (September 30, 2024 – 69.7%) of accounts receivable are due from two customers, each of which having greater than 10% of total sales.

At each period end, the Company assesses if there have been any impairments of accounts receivable. At June 30, 2025 and 2024, the Company had no accounts receivable past due based on customer credit terms. There was no impairment provision.

Credit risk also exists in cash and cash equivalents, which is mitigated by the Company holding cash and cash equivalents with major Canadian financial institutions.

The maximum exposure to credit risk is represented by the fair value of cash and cash equivalents and accounts receivable.

Vitreous Glass Inc.

Notes to the Condensed Interim Financial Statements

For the three and nine months ended June 30, 2025

Stated in Canadian dollars unless otherwise noted

(unaudited)

9. Financial instruments and risk management (continued)

d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities as they become due. The Company manages this risk through continuously monitoring its budgeted and projected operating results and capital expenditure programs. The Company currently does not have any plans for major expenditures and expects to pay its financial liabilities in the normal course of operations as they become due over the next year.

e) Market risk

The Company is exposed to minimal market risk.

f) Capital risk management

The Company's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns to shareholders and benefits for other stakeholders. The Company manages its capital structure and adjusts it considering changes in economic conditions and the risk characteristics of the underlying assets. The Company's objective is met by retaining adequate equity to guard against the possibility that cash flows from assets will not be sufficient to meet future cash flow requirements. The Board of Directors does not establish quantitative return on capital criteria for management but rather promotes year over year sustainable net income and cash flow to provide dividends to shareholders.

There have been no changes to the Company's capital management during the three and nine months ended June 30, 2025.

10. Subsequent events

i) On July 15, 2025, the Board of Directors declared a cash dividend of \$0.07 per common share which is expected to be paid on August 15, 2025 to the shareholders of record on August 1, 2025.

ii) On July 16, 2025, the Company entered into a purchase agreement to acquire 2 acres of undeveloped land for \$184,000. The land will be used to for storing raw materials inventory.