

Vitreous Glass Inc.
Condensed Interim Financial Statements
For the three months ended December 31, 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

February 5, 2026

Vitreous Glass Inc.

Condensed Interim Statements of Financial Position

As at December 31, 2025

Stated in Canadian Dollars

(unaudited)

As at	Note	December 31, 2025	September 30, 2025
ASSETS			
Current assets			
Cash and cash equivalents		2,606,392	2,887,705
Accounts receivable		750,464	922,757
Inventory	3	677,278	730,614
Prepaid expenses		12,489	46,132
Total current assets		4,046,623	4,587,208
Non-current assets			
Property, plant and equipment		2,337,114	2,077,499
Total assets		6,383,737	6,664,707
LIABILITIES AND SHAREHOLDERS EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		858,499	1,257,794
Income taxes payable		36,292	28,206
Total current liabilities		894,791	1,286,000
Non-current liabilities			
Deferred share unit liability	4	264,409	214,897
Deferred income taxes		149,576	164,828
Total non-current liabilities		413,985	379,725
Total liabilities		1,308,776	1,665,725
Shareholders' Equity			
Share capital		2,988,722	2,929,186
Contributed surplus		106,443	158,536
Retained earnings		1,979,976	1,911,260
Total shareholders' equity		5,074,961	4,998,982
Total liabilities and shareholders' equity		6,383,737	6,664,707

Subsequent events (Note 9)

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 months ended December 31, 2025

Stated in Canadian Dollars

(unaudited)

For the three months ended	Note	December 31, 2025	December 31, 2024
Sales		3,636,241	2,459,071
Cost of sales	3	1,808,618	1,326,510
Depreciation		33,647	33,762
Amortisation of right of use asset		-	4,258
Total cost of goods sold		1,842,264	1,364,530
Gross margin		1,793,976	1,094,541
Expenses			
General and administrative	5	572,198	421,597
Unrealized loss on deferred share unit liability	4	44,932	-
Share-based compensation	4	12,023	107,261
Depreciation		2,225	2,079
Total expenses		631,377	530,937
Income from operations		1,162,599	563,604
Income tax		270,371	158,231
Net income and comprehensive income		892,228	405,373
Earnings per share	4		
Basic		0.14	0.06
Diluted		0.14	0.06

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 months ended December 31, 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, 2024		6,336,087	2,929,186	105,521	984,900	4,019,607
Net income and comprehensive income		-	-	-	405,373	405,373
Share based compensation	4	-	-	29,768	-	29,768
Dividends paid	4	-	-	-	(190,083)	(190,083)
Balance – December 31, 2024		6,336,087	2,929,186	135,289	1,200,190	4,264,665
Balance – September 30, 2025		6,336,087	2,929,186	158,536	1,911,260	4,998,982
Net income and comprehensive income		-	-	-	892,228	892,228
Shares issued on exercise of options		19,963	59,536	(59,536)	-	-
Share based compensation	4	-	-	7,443	-	7,443
Dividends paid	4	-	-	-	(823,691)	(823,691)
Balance – December 31, 2025		6,356,050	2,988,722	106,443	1,979,796	5,074,961

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 months ended December 31, 2025

Stated in Canadian Dollars

(unaudited)

For the three months ended	Note	December 31, 2025	December 31, 2024
Cash and cash equivalents provided by (used in) the following:			
Operating activities			
Net income for the period		892,228	405,373
Add (deduct) items not affecting cash:			
Depreciation in cost of sales		33,647	33,762
Depreciation in expenses		2,225	2,079
Amortisation of right of use asset		-	4,258
Interest on lease liability		-	685
Share based compensation	4	12,023	107,261
Unrealized loss on deferred share unit liability		44,932	-
Deferred income tax (recovery) expense		(15,252)	-
Changes in non-cash working capital	6	(131,937)	359,696
Net cash provided by operating activities		837,866	913,114
Financing activities			
Lease payments		-	(6,000)
Dividends paid	4	(823,691)	(190,083)
Net cash used in financing activities		(823,691)	(196,083)
Investing activities			
Additions of property, plant and equipment		(295,487)	(21,280)
Net cash used in investing activities		(295,487)	(21,280)
Cash inflow (outflow)		(281,313)	695,751
Cash and cash equivalents, beginning of period		2,887,705	1,884,450
Cash and cash equivalents, end of the period		2,606,392	2,580,201
The amounts paid for income taxes are included in cash flows from operating activities in the statement of cash flows:			
Income taxes paid		277,537	119,204

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 months ended December 31, 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, 2025.

These condensed interim financial statements were approved and authorized for issuance by the Board of Directors on February 5, 2026.

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 month period ended December 31, 2025 other than those previously disclosed in the annual financial statements for the year ended September 30, 2025.

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, 2025.

Vitreous Glass Inc.

Notes to the Condensed Interim Financial Statements

For the three months ended December 31, 2025

Stated in Canadian dollars unless otherwise noted
(unaudited)

3. Inventory

As at	December 31, 2025	September 30, 2025
Raw material	85,481	208,015
Crushed glass	41,404	41,404
Spare parts	550,395	481,195
Total	677,278	730,614

For the three months ended December 31	2025	2024
Cost of raw glass sold	1,322,676	844,183
Salaries and employee benefits	281,047	258,463
Repair and maintenance	43,113	71,516
Other facility operating costs	161,782	152,348
Cost of sales	1,808,618	1,326,510

There were no inventory write-ups or write-down nor any reversals of prior period's write-ups or write-downs during the three months ended December 31, 2025 or 2024.

4. Share capital

a) Common shares

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

Common shares issued are as follows:

	Fiscal Year 2026	Fiscal Year 2025
Number of common shares outstanding, September 30	6,336,087	6,336,087
Issued on exercise of share options	19,963	-
Number of common shares outstanding, December 31	6,356,050	6,336,087

Vitreous Glass Inc.

Notes to the Condensed Interim Financial Statements

For the three months ended December 31, 2025

Stated in Canadian dollars unless otherwise noted

(unaudited)

4. Share capital (continued)

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:

	Fiscal Year 2026		Fiscal Year 2025	
	Number of Options	Weighted Average Exercise Price (\$)	Number of Options	Weighted Average Exercise Price (\$)
Outstanding, September 30	99,999	5.10	-	-
Granted	-	-	99,999	5.10
Exercised	66,666	(5.10)	-	-
Outstanding, December 31	33,333	5.10	99,999	5.10
Exercisable, December 31	-	-	33,333	5.10

Fiscal Year 2025

On December 30, 2025, 66,666 options were exercised by a cashless exercise that resulted in the issuance of 19,963 Common Shares at an assigned value of \$59,536 and the cancellation of 46,703 options by the Company.

Fiscal Year 2024

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.

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.

Vitreous Glass Inc.

Notes to the Condensed Interim Financial Statements

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4. Share capital (continued)

	Fiscal Year 2026	Fiscal Year 2025
Number of DSUs outstanding, September 30	35,229	18,089
Number of DSUs granted during the period	745	15,192
Number of DSUs outstanding, December 31	35,974	33,281

	Fiscal Year 2026	Fiscal Year 2025
DSU liability, September 30	214,897	94,605
Share based compensation expense during the period	4,580	77,493
Valuation adjustment to record unrealized loss on DSU liability	44,932	-
DSU liability, December 31	264,409	172,098

d) *Earnings per share*

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

For the three months ended December 31	2025	2024
Basic	6,336,304	6,336,087
Diluted	6,338,552	6,336,087

e) *Dividends paid*

During the three months ended December 31, 2025, the Company declared and paid dividends of \$823,691 (December 31, 2024 - \$190,083) on its common shares equivalent to a weighted average of \$0.13 (2024 - \$0.03) per share.

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5. General and administrative expenses

For the three months ended December 31	2025	2024
Salaries, employee benefits and director fees	76,001	77,276
Cash flow and profit sharing	413,981	241,955
Professional, consulting and regulatory	55,184	53,969
Interest earned on bank deposits	(16,928)	(7,198)
Other general expenses	43,960	55,595
	572,198	421,597

6. Changes in non-cash working capital

For the three months ended December 31	2025	2024
Funds provided by (used in):		
Accounts receivable	172,293	125,874
Inventory	53,336	(39,135)
Prepaid expenses	33,643	(63,945)
Accounts payable and accrued liabilities	(399,295)	297,975
Income taxes payable	8,086	38,927
	(131,937)	359,696

7. Economic dependence

During the three months ended December 31, 2025 and 2024, sales were made to three customers with operations in the fibreglass manufacturing industry, of which two customers exceeded 10% of total sales. Net sales to these two customers represented 35.2% (2024 – 54.1%) and 59.1% (2024 – 38.0%) respectively, of total sales.

8. 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.

Vitreous Glass Inc.

Notes to the Condensed Interim Financial Statements

For the three months ended December 31, 2025

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(unaudited)

8. Financial instruments and risk management (continued)

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 months ended December 31, 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 December 31, 2025, 69.0% (December 31, 2024 – 58.0%) of accounts receivable are due from two customers.

At each period-end, the Company assesses if there have been any impairments of accounts receivable. At December 31, 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.

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.

Vitreous Glass Inc.

Notes to the Condensed Interim Financial Statements

For the three months ended December 31, 2025

Stated in Canadian dollars unless otherwise noted

(unaudited)

8. Financial instruments and risk management (continued)

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 months ended December 31, 2025.

9. Subsequent event

On January 15, 2026, the Board of Directors declared a cash dividend of \$0.10 per common share which is expected to be paid on February 13, 2026 to the shareholders of record on January 30, 2026.