

Interim Condensed Consolidated Financial Statements of



Decisive Dividend

— Corporation —

For the nine months ended September 30, 2025

Consolidated Statements of Financial Position

(Unaudited - Expressed in thousands of Canadian dollars)

	September 30, 2025	December 31, 2024
Assets		
Cash	\$ 2,956	\$ 3,257
Accounts receivable	21,928	26,702
Inventory	28,266	24,889
Prepaid expenses and deposits	2,453	2,566
Total current assets	55,603	57,414
Property and equipment (note 5)	29,308	30,398
Intangible assets	33,011	33,083
Goodwill	47,121	44,333
Total assets	\$ 165,043	\$ 165,228
Liabilities		
Accounts payable and accrued liabilities	\$ 20,810	\$ 22,177
Dividends payable (note 9)	901	886
Warranty provision	448	480
Customer deposits	719	227
Current portion of lease obligations (note 6)	2,450	2,385
Current portion of long-term debt (note 7)	20	202
Total current liabilities	25,348	26,357
Lease obligations (note 6)	9,276	10,591
Long-term debt (note 7)	63,050	60,252
Deferred income taxes	11,288	11,144
Total liabilities	108,962	108,344
Equity		
Share capital (note 8)	74,527	72,078
Contributed surplus	3,196	2,093
Cumulative profit	21,013	17,213
Cumulative dividends (note 9)	(45,859)	(37,819)
	52,877	53,565
Accumulated other comprehensive income	3,204	3,319
Total equity	56,081	56,884
Total liabilities and equity	\$ 165,043	\$ 165,228

Approved on behalf of the Board of Directors:

"James Paterson" Director

"Michael Conway" Director

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

Consolidated Statements of Profit and Comprehensive Income

(Unaudited - Expressed in thousands of Canadian dollars, except per share amounts)

September 30,	For the Three Months Ended		For the Nine Months Ended	
	2025	2024	2025	2024
Sales (note 10)	\$ 33,972	\$ 32,240	\$ 109,416	\$ 90,289
Manufacturing costs (note 11)	20,606	20,241	67,724	57,054
Gross profit	13,366	11,999	41,692	33,235
Expenses				
Amortization and depreciation	1,842	1,676	5,274	4,804
Financing costs (note 12)	1,317	1,529	3,973	4,200
Occupancy costs	611	526	1,802	1,634
Professional fees	681	217	1,504	1,421
Salaries, wages and benefits	5,122	4,826	17,643	14,896
Selling, general and administration	2,734	2,091	7,770	6,261
	12,307	10,865	37,966	33,216
Operating profit	1,059	1,134	3,726	19
Other items				
Other income (expense)	(9)	5	3	34
Foreign exchange gains	363	31	336	374
Gain on disposal of property and equipment (note 5)	-	3	1,684	37
	354	39	2,023	445
Profit before income taxes	1,413	1,173	5,749	464
Income taxes				
Current expense	912	141	2,438	608
Deferred expense (recovery)	(279)	84	(489)	(283)
	633	225	1,949	325
Profit	\$ 780	\$ 948	\$ 3,800	\$ 139
Other comprehensive income (loss)				
Foreign operation currency translation differences	(85)	669	(115)	1,041
Total comprehensive income	\$ 695	\$ 1,617	\$ 3,685	\$ 1,180
Profit per share				
Basic	0.04	0.05	0.19	0.01
Diluted	0.04	0.05	0.18	0.01
Weighted average number of shares outstanding (000s):				
Basic	19,955	19,527	19,835	19,317
Diluted	20,710	19,940	20,579	19,730

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

Consolidated Statements of Changes in Equity

(Unaudited - Expressed in thousands of Canadian dollars)

For the Nine Months Ended September 30, 2025 and 2024	Share Capital		Contributed	Deficit		Accumulated Other Comprehensive Income	Total Equity
	Number	Amount		Cumulative	Cumulative		
	(000s)			Dividends	Profit		
Balance, January 1, 2024	18,911	\$ 66,611	\$ 1,378	\$ (27,418)	\$ 15,202	\$ 1,978	\$ 57,751
Shares issued under ESPP	78	749	14	-	-	-	763
Shares issued under DRIP	196	1,593	-	-	-	-	1,593
Exercise of stock options and RSUs	181	750	(375)	-	-	-	375
Exercise of warrants	176	1,155	(55)	-	-	-	1,100
Share-based payment awards	-	-	636	-	-	-	636
Shares purchased and cancelled under NCIB	(16)	(106)	-	-	-	-	(106)
Shares issued to vendors on business acquisitions	110	978	-	-	-	-	978
Share issuance costs	-	(4)	-	-	-	-	(4)
Total comprehensive income for the period	-	-	-	-	139	1,041	1,180
Dividends declared	-	-	-	(7,745)	-	-	(7,745)
Balance, September 30, 2024	19,636	\$ 71,726	\$ 1,598	\$ (35,163)	\$ 15,341	\$ 3,019	\$ 56,521
Balance, January 1, 2025	19,696	72,078	2,093	(37,819)	17,213	3,319	56,884
Shares issued under ESPP (note 8)	18	193	(193)	-	-	-	-
Shares issued under DRIP (note 8)	168	1,126	-	-	-	-	1,126
Exercise of stock options and RSUs (note 8)	48	406	(444)	-	-	-	(38)
Share-based payment awards (note 8)	-	-	1,740	-	-	-	1,740
Shares purchased and cancelled under NCIB (note 8)	(13)	(76)	-	-	-	-	(76)
Shares issued to vendors on business acquisitions (note 8)	105	803	-	-	-	-	803
Share issuance costs (note 8)	-	(3)	-	-	-	-	(3)
Total comprehensive income for the period	-	-	-	-	3,800	(115)	3,685
Dividends declared (note 9)	-	-	-	(8,040)	-	-	(8,040)
Balance, September 30, 2025	20,022	\$ 74,527	\$ 3,196	\$ (45,859)	\$ 21,013	\$ 3,204	\$ 56,081

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

Consolidated Statements of Cash Flows

(Unaudited - Expressed in thousands of Canadian dollars)

September 30,	For the Three Months Ended		For the Nine Months Ended	
	2025	2024	2025	2024
Operating activities				
Profit	\$ 780	\$ 948	\$ 3,800	\$ 139
Adjusted by:				
Amortization and depreciation	2,857	2,544	8,239	7,120
Financing costs	1,317	1,529	3,973	4,200
Share-based compensation	288	230	1,740	781
Foreign exchange gains	(363)	(31)	(336)	(374)
Inventory write-downs and obsolescence allowance	11	4	14	7
Gain on disposal of property and equipment (note 5)	-	(3)	(1,684)	(37)
Income tax expense	633	225	1,949	325
Operating activities before changes in non-cash working capital	5,523	5,446	17,695	12,161
Changes in non-cash working capital (note 13)	1,389	2,557	(380)	(2,184)
	6,912	8,003	17,315	9,977
Income taxes refunded (paid)	86	-	(1,603)	(2,188)
Cash provided by operating activities	6,998	8,003	15,712	7,789
Financing activities				
Proceeds from issuance of shares, net of repurchases	1	398	(70)	2,037
Dividends paid (note 9)	(2,296)	(2,275)	(6,906)	(6,047)
Proceeds from long-term debt	7,500	1,350	11,065	60,857
Repayment of long-term debt	(6,175)	(2,527)	(8,062)	(47,732)
Debt issuance costs	(2)	(2)	(291)	(705)
Lease payments	(619)	(598)	(1,787)	(1,556)
Interest paid	(1,246)	(1,451)	(3,734)	(4,032)
Cash provided by (used in) financing activities	(2,837)	(5,105)	(9,785)	2,822
Investing activities				
Acquisitions (note 4)	(3,990)	(57)	(3,990)	(7,874)
Purchase of property and equipment	(285)	(2,186)	(4,125)	(4,237)
Proceeds on disposal of property and equipment (note 5)	20	19	1,834	70
Cash used in investing activities	(4,255)	(2,224)	(6,281)	(12,041)
Increase (decrease) in cash during the period	(94)	674	(354)	(1,430)
Cash, beginning of period	2,998	2,026	3,257	4,050
Effect of movements in exchange rates	52	54	53	134
Cash, end of period	\$ 2,956	\$ 2,754	\$ 2,956	\$ 2,754

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

Notes to the Consolidated Financial Statements

For the Three and Nine Months Ended September 30, 2025 and 2024

(Unaudited -Expressed in thousands of Canadian dollars, except per share amounts)

1. Nature and Operations

Decisive Dividend Corporation (the “Company”) was incorporated under the British Columbia Business Corporations Act on October 2, 2012 and is listed on the TSX Venture Exchange, trading under the symbol “DE”. The address of the Company’s head office is #260 – 1855 Kirschner Road, Kelowna, B.C. V1Y 4N7.

Decisive Dividend Corporation is an acquisition-oriented company, focused on opportunities in manufacturing. The Company’s purpose is to be the sought-out choice for exiting legacy-minded business owners, while supporting the long-term success of the businesses acquired, and through that, creating sustainable and growing shareholder returns. The Company uses a disciplined acquisition strategy to identify already profitable, well-established, high quality manufacturing companies that have a sustainable competitive advantage, a focus on non-discretionary products, steady cash flows, growth potential and established, strong leadership.

The Company’s overall business is conducted through three operating segments comprised of finished product; component manufacturing; and head office. The principal wholly-owned operating subsidiaries of the Company, as at September 30, 2025, are managed through two reportable segments and were acquired as follows:

Finished Product Segment

- Valley Comfort Systems Inc. and its wholly-owned subsidiary Blaze King Industries Inc. (“Blaze King USA”), collectively referred to herein as “Blaze King”; acquired in February 2015.
- Slimline Manufacturing Ltd. (“Slimline”); acquired in May 2018.
- Marketing Impact Limited (“Marketing Impact”); acquired in April 2022, and its wholly-owned subsidiary Venger Group USA Inc. (“Venger”); acquired in August 2025.
- ACR Heat Products Limited (“ACR”); acquired in October 2022.
- Capital I Industries Inc. and its sister company, Irving Machine Inc. (together, “Capital I”); acquired in April 2023 and amalgamated as Capital I in December 2024.
- Innovative Heating Technologies Inc. (“IHT”); acquired in July 2023.

Component Manufacturing Segment

- Unicast Inc. (“Unicast”); acquired in June 2016.
- Hawk Machine Works Ltd. (“Hawk”); acquired in June 2018.
- Northside Industries Inc. (“Northside”); acquired in August 2019.
- Procore International Radiators Ltd. (“Procore”) and Micon Industries Ltd. (“Micon”); both acquired in April 2023 and amalgamated as Procore in December 2024.
- Techbelt Limited; acquired in April 2024, and its wholly-owned subsidiary Blackburn Conveyor Services Limited; acquired in July 2025, collectively referred to herein as “Techbelt”.

These consolidated financial statements comprise the Company and its subsidiaries, collectively referred to as the “Group”. The consolidated financial statements include the results of acquired subsidiaries from their dates of acquisition.

The Group's interim results are impacted by seasonality factors primarily driven by weather patterns, including the impact thereof on heating, planting and harvesting seasons, as well as the timing of ground freeze and thaw in Western Canada and the effect thereof on the oil and gas industry, including the cost of energy. Blaze King and ACR's businesses historically experience lower demand in the first and second quarters of the calendar year, Slimline's business historically experiences lower demand in the third and fourth quarters and Hawk's business historically experiences lower demand in the second quarter. Seasonality does not have a significant impact on the businesses of the Company's other subsidiaries. In each subsidiary, there are substantial fixed costs that do not meaningfully fluctuate with product demand in the short-term.

2. Basis of Preparation and Statement of Compliance

a) *Statement of compliance*

These interim condensed consolidated financial statements (the "financial statements") for the period ended September 30, 2025 have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") applicable to the preparation of interim financial statements, under International Accounting Standard 34, Interim Financial Reporting. These condensed consolidated financial statements should be read in conjunction with the Company's most recent annual audited consolidated financial statements for the year ended December 31, 2024.

These financial statements were approved by the Audit Committee of the Company for issue on November 4, 2025.

b) *Judgments, accounting estimates and assumptions*

The preparation of financial statements requires management to make judgments that affect the application of accounting policies and reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period.

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make estimates based on assumptions about future events that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Actual results could differ from those estimates.

There were no changes to the Group's critical accounting estimates and judgments from those described in the most recent annual financial statements.

c) *New IFRS Accounting Standards and interpretations not yet adopted*

Certain new IFRS Accounting Standards and amendments to IFRS Accounting Standards have been published that are not mandatory for 2025 reporting periods and have not been early adopted by the Company. There were no changes to management's assessment of the impact of new standards and amendments relevant to the Company from those described in the most recent annual financial statements.

3. Material Accounting Policies

The material accounting policies and methods of computation used in the preparation of these financial statements are the same as those disclosed in Note 3 to the Company's 2024 audited consolidated financial statements.

4. Acquisitions

In 2025, the Company completed three acquisitions as described below. Blackburn Conveyor Systems as well as the assets of NK Technics' United Kingdom based conveyor belt business were acquired through Techbelt (collectively referred to herein as the "Techbelt Acquisitions") and Venger was acquired through Marketing Impact. The consideration paid on these acquisitions is as follows:

	Techbelt		
	Acquisitions	Venger	Total
Cash (net of cash acquired)	\$ 726	\$ 3,264	\$ 3,990
Common shares	-	427	427
Contingent consideration	92	286	378
	\$ 818	\$ 3,977	\$ 4,795

The preliminary allocation of the purchase prices, to the fair value of the assets acquired and liabilities assumed on these acquisitions are as follows:

	Techbelt		
	Acquisitions	Venger	Total
Accounts receivable	\$ 72	\$ 747	\$ 819
Prepaid expenses and deposits	1	22	23
Inventory	242	593	835
Property and equipment	243	16	259
Intangible assets	424	1,701	2,125
Goodwill	54	2,414	2,468
Accounts payable and accrued liabilities	(86)	(1,087)	(1,173)
Deferred income taxes	(132)	(429)	(561)
	\$ 818	\$ 3,977	\$ 4,795

Subsequent adjustments to the purchase price allocations, if any, can be recognized if they occur within twelve months of the acquisition date. After twelve months, adjustments are recognized through profit or loss. The adjustments made as a result of finalizing the provisional accounting are retrospectively recognized from the acquisition date. The Company incurred acquisition-related costs of \$289 relating to legal fees, accounting fees, and due diligence costs. These costs are included in professional fees in the consolidated statement of profit and comprehensive income.

Techbelt Acquisitions

The Company acquired, through Techbelt, the assets of NK Technics' United Kingdom based conveyor belt business on June 17, 2025, as well as all of the shares of Blackburn Conveyor Systems on July 22, 2025. These acquisitions allowed Techbelt to diversify and expand its belting product suite, while also adding conveyor fabrication and servicing capabilities to its business offering. In addition, the acquisitions provide additional space, equipment and people to meet demand from Techbelt's growing customer base.

The NK Technics asset purchase agreement and Blackburn Conveyor Systems share purchase agreement contain negotiated representations, warranties, indemnities and closing conditions. The purchase prices included a payment of cash, plus up to an additional £50 contingent on Blackburn Conveyor Systems meeting certain conditions over the two years following the acquisition date. The contingent consideration recorded by the Company as a financial liability reflects the estimated fair value of the conditions being met, as at the acquisition date.

Venger

The Company acquired, through Marketing Impact, all of the shares of Venger on August 7, 2025. Venger is a provider of specialized overnight cosmetic refurbishment and full reskinning of refrigerated display cases for grocery retailers across the United States. The acquisition of Venger extends the capability of

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Marketing Impact from a strictly aisle focused merchandising system and display business to the provision of in-store, overnight asset refurbishment services to Venger's United States based customers with cross-selling, operational and cost synergy opportunities.

The Venger purchase agreement contains negotiated representations, warranties, indemnities and closing conditions. The purchase price included a payment of cash (which is subject to customary post-closing adjustments) and the issuance of common shares to the vendors, plus up to an additional \$600 contingent on Venger meeting certain earnings targets over the three years following the acquisition date. The contingent consideration recorded by the Company as a financial liability reflects the estimated fair value of the earnings target being met, as at the acquisition date. The cash portion of the consideration was funded through the Company's syndicated credit facility (Note 7). The share portion of the consideration was funded through the issuance of 55,161 common shares to the vendors of Venger (Note 8).

The consolidated statement of profit (loss) includes revenue, gross profit, and profit of these acquisitions from their acquisition dates to September 30, 2025, as outlined in the table below. Had the acquisitions been effective from January 1, 2025, the Group would have recognized revenue, gross profit, and profit (loss) for the nine months ended September 30, 2025 as outlined in the table below.

For the nine months ended September 30, 2025	Consolidated Reported	Reported for Acquisitions from Acquisition Dates	Results for Acquisitions from January 1, 2025	Consolidated Pro forma
Sales	\$ 109,416	\$ 1,181	\$ 5,377	\$ 113,612
Gross profit	41,692	342	1,899	43,249
Profit (loss)	3,800	90	830	4,541

5. Property and Equipment

	Automotive	Manufacturing Equipment	Office Equipment	Computer Equipment	Leasehold Improvements	Right of Use Assets	Total
Cost							
Balance, January 1, 2025	\$ 674	\$ 25,089	\$ 432	\$ 2,003	\$ 2,205	\$ 16,319	\$ 46,722
Additions	87	2,607	68	471	297	500	4,030
Acquired through business combination	31	228	-	-	-	-	259
Disposals	(20)	(221)	(1)	(72)	(29)	-	(343)
Effect of movements in exchange rates	(5)	(76)	(5)	(48)	(13)	(19)	(166)
Balance, September 30, 2025	\$ 767	\$ 27,627	\$ 494	\$ 2,354	\$ 2,460	\$ 16,800	\$ 50,502
Accumulated Depreciation							
Balance, January 1, 2025	\$ 370	\$ 9,550	\$ 194	\$ 1,278	\$ 825	\$ 4,107	\$ 16,324
Depreciation	82	2,478	42	221	316	2,095	5,234
Disposals	(16)	(130)	(1)	(54)	(15)	-	(216)
Effect of movements in exchange rates	(6)	(33)	(3)	(48)	(43)	(15)	(148)
Balance, September 30, 2025	\$ 430	\$ 11,865	\$ 232	\$ 1,397	\$ 1,083	\$ 6,187	\$ 21,194
Net Book Value							
Balance, January 1, 2025	\$ 304	\$ 15,539	\$ 238	\$ 725	\$ 1,380	\$ 12,212	\$ 30,398
Balance, September 30, 2025	\$ 337	\$ 15,762	\$ 262	\$ 957	\$ 1,377	\$ 10,613	\$ 29,308

In Q2 2025, Northside finalized the insurance settlement on property and equipment lost in a 2024 fire. The property and equipment additions above include \$1,800 in equipment expenditures made or committed to, based on the corresponding receipt of \$1,800 in insurance proceeds. The receipt of insurance proceeds resulted in a gain on disposal of property and equipment of \$1,687, which was recognized in the consolidated statement of profit and comprehensive income.

6. Lease Obligations

The Group's right of use assets and associated lease obligations are related to lease commitments for office and shop premises. The maturity dates of the lease obligations are between November 2025 and March 2036. As at September 30, 2025, minimum lease payments required over the next five years were as follows:

For the twelve month periods ending September 30,		2025
2026	\$	2,947
2027		2,868
2028		2,386
2029		1,536
2030		816
thereafter		2,944
		13,497
Less: interest portion		(1,771)
Less: current portion		(2,450)
	\$	9,276

7. Long-term Debt

	Interest Rate	Effective Interest Rate	Maturity Date	Authorized	September 30, 2025 Outstanding	December 31, 2024 Outstanding
Syndicated credit facility	see below	5.7%	Jun-28	\$ 100,000	\$ 63,829	\$ 60,979
Equipment loans	3.1%	3.1%	Dec-25	20	20	202
				100,020	63,849	61,181
Less: current portion					(20)	(202)
Long-term portion					63,829	60,979
Less: debt issuance costs					(779)	(727)
Total long-term debt					\$ 63,050	\$ 60,252

The Company has a syndicated credit facility providing for a committed \$100,000 senior secured revolving term loan and a \$75,000 accordion, which the Company can request as an increase, in whole or in part, to the total amount available under the syndicated credit facility. The syndicate lenders include National Bank of Canada, Royal Bank of Canada and Fédération des caisses Desjardins du Québec, with National Bank of Canada acting as administrative agent on behalf of the syndicate.

There are no required principal payments for the committed three-year term of the syndicated credit facility, which also provides for annual extension provisions. In June 2025, the Company extended the term of the loan, and all drawn amounts now mature in June 2028.

Borrowings under the syndicated credit facility may be made by way of Canadian prime rate, U.S. base rate, Canadian overnight repo rate average (“CORRA”) or United States Federal reserve secured overnight financing rate (“SOFR”) advances. The syndicated credit facility bears interest at the Canadian prime rate or U.S. base rate plus 0.75% to 2.25%, or at CORRA or SOFR plus 2.00% to 3.50%. These interest rate ranges are dependent on certain financial ratios of the Company. In addition, standby fees ranging from 0.40% to 0.70% per annum are paid quarterly on the unused portion of the syndicated credit facility depending on certain financial ratios of the Company. There are no fees paid on the accordion until amounts are made available.

The syndicated credit facility is secured by a general security agreement, assignment of insurance, and unlimited corporate cross guarantees. Additionally, the Company has agreed to maintain the following ratios (as defined in the credit agreement) on a consolidated trailing twelve-month basis, otherwise outstanding facilities are due on demand. In June 2025, the maximum total debt to adjusted EBITDA ratio was amended to 3.5 times from 3.25 times previously. As at September 30, 2025, the Company was in compliance with these ratios as follows:

	Threshold	September 30, 2025	December 31, 2024
Maximum total debt to adjusted EBITDA	3.5	2.5	3.1
Minimum interest coverage ratio	1.5	2.1	1.7

8. Share Capital

a) Shares issued and outstanding

	Shares (000s)	Amount
Balance as at, January 1, 2025	19,696	\$ 72,078
Shares issued under ESPP	18	193
Shares issued under DRIP	168	1,126
Exercise of stock options and RSUs	48	406
Shares purchased and cancelled under NCIB	(13)	(76)
Shares issued to vendors on business acquisitions	105	803
Share issuance costs	-	(3)
Balance as at, September 30, 2025	20,022	\$ 74,527

The Company had the following share capital transactions for the nine months ended September 30, 2025:

- (i) The Company issued 168,463 common shares pursuant to the dividend reinvestment and cash purchase plan (the “DRIP”)
- (ii) The Company issued 48,221 common shares on the exercise of stock options and RSUs.
- (iii) The Company issued 17,518 common shares pursuant to the employee share purchase plan (the “ESPP”).
- (iv) The Company purchased and cancelled 12,700 common shares pursuant to its normal course issuer bid (“NCIB”).
- (v) As part of the consideration paid for the acquisition of Venger described in Note 4, on August 7, 2025, the Company issued 55,161 common shares to the vendors of Venger at a deemed price of \$7.75 per share. In addition, in July 2025, the Company issued 49,603 common shares to the vendors of Capital I at a price of \$7.56 per share on the settlement of contingent consideration according to the terms of the acquisition of Capital I.

Common shares that remained in escrow as at September 30, 2025 are as follows:

In (000s)	September 30, 2025
In relation to the acquisition of:	
ACR	56
Capital I	41
Micon	18
Procore	30
IHT	105
Techbelt	39
Venger	55
	344

b) Warrants

The Company had the following warrants outstanding and exercisable:

Warrants	Number of warrants (000s)	Weighted average exercise price (\$)	Weighted average grant date fair value (\$)	Weighted average years remaining
Outstanding and exercisable, January 1, 2025	783	\$ 7.09	\$ 0.32	0.25
Warrants expired	(783)	7.09	0.32	-
Outstanding and exercisable, September 30, 2025	-	\$ -	\$ -	-

c) Equity Incentives

The Company has an equity incentive plan for the purpose of developing the interest of directors, officers and employees in the growth and development of the Company and its subsidiaries, by providing them with the opportunity, through equity awards, to obtain an increased effective interest in the Company.

The equity incentive plan enables the Company to grant deferred share units (“DSUs”), performance share units (“PSUs”), restricted share units (“RSUs”), and stock options to the directors, officers, and employees of the Company or any of its affiliates. Under the plan, the aggregate of all stock option, DSU, PSU, and RSU grants cannot exceed 10% of the issued and outstanding common shares of the Company.

The Company had granted stock options to various directors, officers, and employees of the Group as follows:

Stock Options	Number of options (000s)	Weighted average exercise price (\$)	Weighted average grant date fair value (\$)	Weighted average years remaining
Outstanding and exercisable, January 1, 2025	208	\$ 4.72	\$ 0.87	5.30
Options issued	10	6.08	0.85	-
Options exercised	(2)	4.23	0.74	-
Options expired	(10)	7.98	1.95	-
Outstanding and exercisable, September 30, 2025	206	\$ 4.64	\$ 0.82	4.56

In the nine months ended September 30, 2025, the Company recorded \$5 of share-based compensation expense related to stock options. This share-based compensation expense represents the estimated fair value of stock options granted, amortized over the options' vesting periods net of any recovery for unvested options that are forfeited.

To value the options granted in 2025, the Company used the Black-Scholes option-pricing model with the following assumptions: dividend yield of 8.9%; expected volatility of 36%; risk-free interest rate of 3.0%; forfeiture rate of 0%; market prices of \$6.07 and \$6.08 and a weighted average life of five years.

The Company had granted DSUs to directors of the Company as follows:

	Number of DSUs (000s)	Number of DSUs exercisable (000s)	Weighted average grant date fair value (\$)	Weighted average years remaining
Deferred Share Units				
Outstanding, January 1, 2025	102	-	\$ 6.74	NA
DSUs issued	140	-	6.00	-
DSUs from reinvested dividends	14	-	6.34	-
Outstanding, September 30, 2025	256	-	\$ 6.31	NA

In the nine months ended September 30, 2025, the Company recorded \$926 of share-based compensation expense related to DSUs. This share-based compensation expense represents the estimated fair value of DSUs granted, amortized over the DSUs vesting periods.

The Company had granted RSUs to officers and employees of the Group as follows:

	Number of RSUs (000s)	Number of RSUs exercisable (000s)	Weighted average grant date fair value (\$)	Weighted average years remaining
Restricted Share Units				
Outstanding, January 1, 2025	132	-	\$ 8.86	1.84
RSUs issued	99	-	6.00	-
RSUs from reinvested dividends	11	-	7.48	-
RSUs exercised	(53)	-	8.51	-
Outstanding, September 30, 2025	189	-	\$ 7.38	1.75

In the nine months ended September 30, 2025, the Company recorded \$575 of share-based compensation expense related to RSUs. This share-based compensation expense represents the estimated fair value of RSUs granted, amortized over the RSUs vesting periods.

The Company had granted PSUs to officers and employees of the Group as follows:

	Number of PSUs (000s)	Number of PSUs exercisable (000s)	Weighted average grant date fair value (\$)	Weighted average years remaining
Performance Share Units				
Outstanding, January 1, 2025	-	-	\$ -	-
PSUs issued	118	-	6.00	-
PSUs from reinvested dividends	6	-	6.00	-
Outstanding, September 30, 2025	124	-	\$ 6.00	2.25

In the nine months ended September 30, 2025, the Company recorded \$166 of share-based compensation expense related to PSUs. This share-based compensation expense represents the estimated fair value of PSUs granted, amortized over the PSUs vesting periods.

9. Dividends

The Company's Board of Directors regularly examines the dividends paid to shareholders. The following dividends were declared during the periods ended September 30, 2025 and December 31, 2024:

Month	2025		2024	
	Per share (\$)	Dividend Amount (\$)	Per share (\$)	Dividend Amount (\$)
January	\$ 0.045	\$ 887	\$ 0.040	\$ 758
February	0.045	889	0.045	860
March	0.045	890	0.045	865
April	0.045	891	0.045	875
May	0.045	892	0.045	873
June	0.045	893	0.045	873
July	0.045	896	0.045	877
August	0.045	901	0.045	881
September	0.045	901	0.045	884
October	-	-	0.045	884
November	-	-	0.045	885
December	-	-	0.045	886
Total	\$ 0.405	\$ 8,040	\$ 0.535	\$ 10,401

The above dividends were paid on or about the 15th of the month following their declaration. Of the dividends paid during the nine months ended September 30, 2025, \$6,906 (2024 - \$6,047) were settled in cash and \$1,119 (2024 - \$1,571) were reinvested in additional common shares of the Company, pursuant to the DRIP.

Subsequent to September 30, 2025, and before these financial statements were authorized, the Company undertook the following dividend actions:

- A dividend of \$0.045 per share was declared on October 15, 2025, for shareholders of record on October 31, 2025, which is payable on November 14, 2025.

10. Sales

The following is a breakdown of sales by type of product:

	For the three months ended		For the nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Agricultural products	\$ 5,513	\$ 2,618	\$ 15,992	\$ 9,221
Hearth products	7,636	7,673	20,045	18,863
Industrial products	10,981	12,971	44,034	38,853
Merchandising products	3,853	3,703	11,798	10,910
Wear-part products	5,989	5,275	17,547	12,442
	\$ 33,972	\$ 32,240	\$ 109,416	\$ 90,289

The following is the geographic breakdown of revenue based on the location of the customer:

	For the three months ended		For the nine months ended	
	September 30,	September 30,	September 30,	September 30,
	2025	2024	2025	2024
Canada	\$ 10,610	\$ 10,817	\$ 37,230	\$ 35,694
United States	18,628	16,698	57,506	43,080
Other	4,734	4,725	14,680	11,515
	\$ 33,972	\$ 32,240	\$ 109,416	\$ 90,289

11. Manufacturing Costs

Details of the items included in manufacturing costs are as follows:

	For the three months ended		For the nine months ended	
	September 30,	September 30,	September 30,	September 30,
	2025	2024	2025	2024
Labour and materials	\$ 18,071	\$ 18,097	\$ 59,786	\$ 51,260
Freight and shipping	1,408	1,161	4,630	3,215
Depreciation	1,015	868	2,965	2,316
Inventory write-downs and obsolescence allowance	11	4	14	7
Warranty charges	101	111	329	256
	\$ 20,606	\$ 20,241	\$ 67,724	\$ 57,054

12. Financing Costs

Details of the items included in financing costs are as follows:

	For the three months ended		For the nine months ended	
	September 30	September 30	September 30	September 30
	2025	2024	2025	2024
Interest and bank charges	\$ 151	\$ 165	\$ 498	\$ 440
Interest on lease obligations	137	152	431	412
Interest on long-term debt	1,029	1,212	3,044	3,348
	\$ 1,317	\$ 1,529	\$ 3,973	\$ 4,200

13. Supplemental Cash Flow Information

The changes in non-cash operating working capital items are as follows:

	For the three months ended		For the nine months ended	
	September 30,	September 30,	September 30,	September 30,
	2025	2024	2025	2024
Accounts receivable	\$ 3,028	(1,100)	\$ 5,383	\$ 1,114
Inventory	499	638	(2,827)	(864)
Prepaid expenses and deposits	106	254	113	(651)
Accounts payable and accrued liabilities	(2,675)	2,759	(3,503)	(805)
Customer deposits	460	41	485	(743)
Warranty provision	(29)	(35)	(32)	(235)
	\$ 1,389	\$ 2,557	\$ (381)	\$ (2,184)

14. Financial Instruments and Risk Management

The Group's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, dividends payable, and long-term debt. There were no changes in the classification or in the fair value measurement basis of the Group's financial instruments since December 31, 2024.

At September 30, 2025, the carrying amounts of cash, accounts receivable, accounts payable and accrued liabilities, and dividends payable, approximate their fair value due to their short-term nature.

Management determined that the fair value of the Group's long-term debt (note 7) was not materially different than their carrying amounts as they are based on market interest rates and there was no material impact from any changes in the Group's credit risk since origination.

There were no changes in the Company's assessment of risks from the use of financial instruments or in the financial risk management policies of the Company since December 31, 2024.

The undiscounted cash flows arising from the contractual maturities of financial instruments are as follows:

September 30, 2025	Carrying value	Total contractual cash flows	Within one year	Two to five years	More than five years
Accounts payable	\$ 20,810	\$ 20,810	\$ 19,946	\$ 864	\$ -
Dividends payable	901	901	901	-	-
Long-term debt	63,070	74,852	3,688	71,164	-
Lease obligations	11,726	13,497	2,947	7,606	2,944
	\$ 96,507	\$ 110,060	\$ 27,482	\$ 79,634	\$ 2,944

Liquidity risk management involves maintaining sufficient cash or cash equivalents and availability of funding through an adequate amount of committed credit facilities. The Group's cash is held in business accounts which are available on demand for the Group's programs. The Company also attempts to maintain flexibility in funding by securing committed and available credit facilities. The Company has a credit facility in place with its senior lenders that provides the Group access to a revolving term loan and an available accordion facility (note 7). The Group continues to manage its financial position in accordance with its capital management objectives and in light of its current operating environment.

The following details the aging of the Company's trade accounts receivable and expected credit losses:

	September 30, 2025	
Not yet due	\$ 16,665	78%
31-60 days overdue	2,365	11%
61-90 days overdue	989	5%
>90 days overdue	1,341	6%
Trade accounts receivable	21,360	100%
Less: expected credit losses	(236)	
Net trade accounts receivable	\$ 21,124	

At September 30, 2025, the Group expected to recover the full amount of its trade receivables, less any expected credit losses.

The functional currency for Blaze King USA and Venger is the United States dollar ("USD"), the functional currency for ACR and Techbelt is the British pound sterling ("GBP"), while all other entities in the Group have a Canadian dollar ("CAD") functional currency. Previously, Unicast also had a USD functional currency, however management determined that effective January 1, 2025, the functional currency for

Unicast was the CAD. The Company's reporting currency is the CAD; therefore, the Group's profit or loss and total comprehensive income are in part impacted by fluctuations in the value of each foreign currency ("FC") in which it transacts in relation to the CAD.

The table below summarizes the quantitative data about the Group's exposure to currency risk:

As at September 30, 2025	Entities with a CAD functional currency		Entities with a USD functional currency		Entities with a GBP functional currency		Total
	CAD	USD	CAD	USD	CAD	GBP	
Cash	\$ (815)	\$ 1,248	\$ -	\$ 1,014	\$ -	\$ 1,509	\$ 2,956
Accounts receivable	6,891	10,593	-	2,440	-	2,004	21,928
Accounts payable	(16,245)	(1,614)	-	193	-	(3,144)	(20,810)
Dividend payable	(901)	-	-	-	-	-	(901)
Inter-company amounts	(35)	-	-	3,783	(3,748)	-	-
Long-term debt	(59,581)	(3,489)	-	-	-	-	(63,070)
Net exposure	(70,686)	6,738	-	7,430	(3,748)	369	(59,897)
Effect of 5% strengthening of FC versus CAD:							
Profit (loss)	-	337	-	-	-	-	337
OCI	\$ -	\$ -	\$ -	\$ (372)	\$ 187	\$ (18)	\$ (203)

The Group is at times exposed to interest rate risk on its long-term debt (note 7) due to the interest rate on certain of its credit facilities being variable. Of the Group's interest-bearing debt outstanding at September 30, 2025, 100% was variable rate. The Group does not enter into derivative contracts to manage this risk. The table below summarizes the quantitative data about the Group's exposure to interest rate risk:

Interest rate risk	September 30, 2025
Floating instruments	\$ 63,829
Average balance	62,719
Impact on profit (loss) of a change in interest rates:	
-1%	627
+1%	\$ (627)

15. Related Party Transactions

The Group's related parties consist of directors, officers and key management or companies associated with them. Key management, including directors and officers of the Company, are those personnel having the authority and responsibility for planning, directing, and controlling the Company.

Salaries and benefits, directors fees and share-based compensation are included in salaries, wages and benefits expense. Key management compensation for the nine month period ended September 30, 2025 included \$1,176 of salaries, benefits and directors fees (2024 - \$1,179) and \$1,363 of share-based compensation expense (2024 - \$428).

16. Segmented Information

The Group's reporting is prepared on a consolidated basis as determined by the requirements of the Chief Executive Officer as the chief operating decision maker for the Group. The Company's reportable segments, as determined by management, sell similar product types to similar types of customers and share similar processes and distribution methods. The reportable segments are as follows:

- The finished product segment, which manufactures and sells products that are purchased and used by end customers as designed. The businesses that are included in the finished product segment are detailed in note 1.
- The component manufacturing segment, which manufactures and sells products based on specifications determined by its customers for use in its customers' processes. The businesses that are included in the component manufacturing segment are detailed in note 1.
- In addition, the Canadian public company parent ("Head Office") is considered a third and separate segment, as its function is as an investment holding and management company. Inter-segment eliminations of sales and manufacturing costs are also reported within this segment.

The Group's reporting of segment performance for the three and nine month periods ended September 30, 2025 and 2024 is as follows:

For the three months ended September 30, 2025	Finished Product	Component Manufacturing	Head Office	Total
Sales	\$ 19,997	\$ 14,375	\$ (400)	\$ 33,972
Manufacturing costs	11,290	9,716	(400)	20,606
Gross profit	8,707	4,659	-	13,366
Profit (loss) before taxes	3,036	1,161	(2,784)	1,413
Income tax expense	439	168	26	633
Profit (loss)	2,597	993	(2,810)	780
Total comprehensive income (loss)	\$ 2,513	\$ 992	\$ (2,810)	\$ 695

For the three months ended September 30, 2024	Finished Product	Component Manufacturing	Head Office	Total
Sales	\$ 16,738	\$ 15,574	\$ (72)	\$ 32,240
Manufacturing costs	9,851	10,462	(72)	20,241
Gross profit	6,887	5,112	-	11,999
Profit (loss) before taxes	1,403	1,909	(2,139)	1,173
Income tax expense (recovery)	(114)	333	6	225
Profit (loss)	1,517	1,576	(2,145)	948
Total comprehensive income (loss)	\$ 2,149	\$ 1,613	\$ (2,145)	\$ 1,617

For the nine months ended September 30, 2025	Finished Product	Component Manufacturing	Head Office	Total
Sales	\$ 60,466	\$ 50,607	\$ (1,657)	\$ 109,416
Manufacturing costs	35,450	33,931	(1,657)	67,724
Gross profit	25,016	16,676	-	41,692
Profit (loss) before taxes	6,182	7,229	(7,662)	5,749
Income tax expense	695	1,190	64	1,949
Profit (loss)	5,487	6,039	(7,726)	3,800
Total comprehensive income (loss)	\$ 5,639	\$ 5,772	\$ (7,726)	\$ 3,685

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For the nine months ended September 30, 2024	Finished Product	Component Manufacturing	Head Office	Total
Sales	\$ 48,679	\$ 42,546	\$ (936)	\$ 90,289
Manufacturing costs	29,482	28,508	(936)	57,054
Gross profit	19,197	14,038	-	33,235
Profit (loss) before taxes	2,569	5,343	(7,448)	464
Income tax expense (recovery)	(410)	679	56	325
Profit (loss)	2,979	4,664	(7,504)	139
Total comprehensive income (loss)	\$ 3,956	\$ 4,728	\$ (7,504)	\$ 1,180

The Group's reporting of segment financial condition as at September 30, 2025 and December 31, 2024 is as follows:

September 30, 2025	Finished Product	Component Manufacturing	Head Office	Total
Total current assets	\$ 46,922	\$ 8,298	\$ 383	\$ 55,603
Total current liabilities	10,217	9,005	6,126	25,348
Total assets	109,769	54,544	730	165,043
Total liabilities	\$ 23,800	\$ 15,970	\$ 69,192	\$ 108,962

December 31, 2024	Finished Product	Component Manufacturing	Head Office	Total
Total current assets	\$ 39,877	\$ 16,338	\$ 1,199	\$ 57,414
Total current liabilities	10,394	9,027	6,936	26,357
Total assets	100,647	63,016	1,565	165,228
Total liabilities	\$ 24,388	\$ 16,766	\$ 67,190	\$ 108,344

For the nine months ended September 30, 2025, the Group's largest customer accounted for 10% of sales (2024 – 17% of sales). Sales from this customer are included in the component manufacturing segment. Other than this customer, the Group was not dependent on any other customer for more than 10% of its sales.