



**Interim Management's Discussion and Analysis**

**Quarterly Highlights**

For the period ended September 30, 2025

Dated: November 25, 2025

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our Management's Discussion and Analysis ("MD&A") is intended to enable a reader to assess the results of operations and financial condition of Western Investment Company of Canada Ltd. for the nine months ended **September 30, 2025**. This MD&A should be read in conjunction with the audited Consolidated Financial Statements for the year ended December 31, 2024, and the annual Management's Discussion and Analysis dated April 28, 2025. Unless indicated otherwise, references in this MD&A to the "Corporation" refer to Western Investment Company of Canada Ltd., and references to "us," "we," or "our" refer to the Corporation and its subsidiaries and consolidated entities. The Corporation's Consolidated Financial Statements are presented in Canadian dollars and prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. In this MD&A, all references to "\$" are to Canadian dollars unless otherwise specified. This MD&A is dated **November 25, 2025**. Additional information is available at [www.sedarplus.ca](http://www.sedarplus.ca).

Management is responsible for the accuracy and timeliness of the disclosures included herein, and the supporting controls, processes, and systems. This document has been reviewed by the Corporation's Audit Committee and approved by its Board of Directors.

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## Introduction

The Western Investment Company of Canada Limited (“we”, “our”, “**Western**,” or the “**Corporation**”) is an Insurance and Investments holding company focused on decentralized ownership of insurance businesses and centralized investment management. Western is a publicly traded company (TSX-V: WI) and our purpose is to create long-term value for shareholders.

This Annual Management Discussion and Analysis (“**MD&A**”) provides an update on the Corporation’s business activities, financial condition, financial performance, and cash flows since December 31, 2024 to the end September 30, 2025.

The following table outlines Western’s current investment interests as of November 25, 2025:

Investment	Percentage Owned
Fortress Insurance Company	100% <sup>1</sup>
Foothills Creamery Ltd.	48.8%
Golden Health Care	25.0-30.0%
GlassMasters ARG Autoglass Two Inc.	55.3%

<sup>1</sup> All shares not previously owned of Fortress Insurance Company were acquired during the fourth quarter of 2024. Ownership increased in 2024 from 28.5% to 100%. This investment is eliminated on consolidation.

## Key Highlights for the Period Ended September 30, 2025

Western began 2025 with its strategic shift toward property and casualty insurance and investment management. This was started after a transformative 2024 where the Corporation completed an over-subscribed \$30 million private placement, appointed a new Chief Executive Officer (Paul Rivett), and refreshed its Board of Directors. In addition, Western raised \$6.3 million through a rights offering and acquired 100% of the shares of Fortress Insurance Company ("Fortress"). These initiatives strengthened the Corporation's capital position and provided the capacity to support its strategic shift.

In 2025, the Western team has been greatly strengthened with the additions of key roles in a Chief Financial Officer (Pablo Dancuart) and a Chief Client Officer (Wayne Connelly) who both started with the Western in the third quarter of 2025.

A key priority for management is identifying and investing in strong, agile insurance companies aligned with Western's growth strategy. The Corporation is actively advancing a robust pipeline of potential opportunities.

On March 7, 2025, Western exercised its conversion option on outstanding convertible debentures due December 31, 2025. Debentures with an aggregate face value of \$5 million were converted into 10,582,007 common shares.

Gross Written Premiums ("**GWP**") in **Fortress** increased by 47% in nine months to September 30, 2025 (Q3/25) to \$45.5M versus \$30.9M in the comparative period in 2024. GWP is a non-GAAP measure and is defined as all premiums written during the period, including fronting arrangements. GWP gets earned over the policy term depending on the distribution of risk which may be through the passage of time or differently if the risk associated with the policy is unevenly distributed.

This growth is in line with Fortress' previously stated goal of growing the business to \$100 million of GWP by 2028. Fortress is focused on diversification, expanding its product offerings into liability insurance, and on growing the Ontario market. Fortress will continue to be a key focus of Western. Further details about Fortress' performance and operations can be found below.

GlassMasters ARG Autoglass Two Inc. ("**GlassMasters**") continues its growth trajectory with a 12% increase in sales for the nine months ended September 30<sup>th</sup> to end on \$36.5M versus \$32.7M achieved in the comparable 2024 period. This strong growth performance is in line with prior periods where GlassMasters had seen an average of 20% growth in revenue annually for the last four years. This has been obtained through the combination of organic growth occurring at current retail and warehouse locations, as well as from the addition of new locations. The company has expanded its Winnipeg location and expects to add a second location in Saskatoon later in early 2026. GlassMasters serves as Western's primary operational cash flow source thanks to regular interest payments.

Net income for this year-to-date (YTD) period 2025 increased by 45% to end on \$2.0M compared to the prior period in 2024 which generated \$1.4M.

## The Western Investment Company of Canada Ltd.

### Management's Discussion and Analysis

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Foothills Creamery Ltd. ("**Foothills**") continues to focus on improving profitability. Revenue for the nine months ended September 30, 2025, increased by 7% to \$30.4 million, compared to \$28.5 million in the same period of 2024. Ice cream sales continue to grow, with the majority of annual revenue typically earned during the summer months.

The overall gross profit margin was 24.3%, an improvement of 0.4 percentage points over the prior year. Administrative and interest expenses rose slightly, resulting in year-to-date net loss of \$58K versus a profit of \$0.3M in the nine months ending September 30, 2024.

Golden Health Care ("**Golden**") continues to improve occupancy at its underutilized homes, leading to improved profitability. Year-to-date 2025 revenue ended on \$8.2M, a 10.4% increase over the same period in the previous year driven by higher occupancy rates in the homes.

Year-to-date (YTD) Net Income ended on \$2.0M which was a 49% increase from \$1.4M achieved in the same period last year.

Management continues to focus on occupancy and is working to access government funding for senior care, which would allow more seniors in need to access Golden's homes.

## Western consolidated results

### Operations and Financial Results

Financial results (\$'000)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
<b>As reported</b>				
<b>Insurance service result</b>				
Insurance revenue	10,016	-	26,746	-
Insurance service expenses	(8,293)	-	(21,823)	-
Net expenses from reinsurance contracts held	(1,446)	-	(3,969)	-
<b>Total insurance service result</b>	<b>277</b>	<b>-</b>	<b>954</b>	<b>-</b>
<b>Net investment income</b>	<b>297</b>	<b>-</b>	<b>782</b>	<b>-</b>
<b>Net insurance financial expense</b>	<b>61</b>	<b>-</b>	<b>181</b>	<b>-</b>
<b>Other Operating and Administrative Expenses</b>				
Professional and consulting fees	306	357	1,353	560
Payroll and Share-based compensation	807	129	2,052	431
Interest expense	17	233	189	692
Other expenses	148	17	482	46
<b>Total other operating and administrative expenses</b>	<b>1,277</b>	<b>736</b>	<b>4,075</b>	<b>1,730</b>
<b>Other income (expense)</b>				
Income from equity investments	893	1,008	1,369	1,179
Finance income	466	211	1,327	589
Other	77	38	224	113
<b>Total other income</b>	<b>1,437</b>	<b>1,257</b>	<b>2,921</b>	<b>1,880</b>
<b>Income (loss) before income taxes</b>	<b>672</b>	<b>521</b>	<b>402</b>	<b>150</b>
<b>Net income (loss)</b>	<b>602</b>	<b>521</b>	<b>370</b>	<b>150</b>
Net income (loss) per common share, basic	0.004	0.017	0.002	0.005
Net income (loss) per common share, diluted	0.003	0.017	0.002	0.005

2025 results include consolidated results of Fortress, whereas in the prior year Fortress results were included under "income from equity investments". Details on the insurance-specific results are discussed below in the Fortress section of this MD&A. Fortress has contributed a positive insurance service result with a normalized YTD combined ratio<sup>1</sup> of 96.4%. Fortress's contribution to consolidated net income for the nine months ended September 30, 2025, was \$271K.

*Normalization of the Expense ratio removes (a) legal costs related to the Acquisition transaction (of Fortress by Western), (b) any change in accounting for the Employee Share Options Plan from equity-settled to cash-settled, and (c) includes interest income allocated to working capital*

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From October 1 2024 onwards, Operating and administrative expenses include consolidated expenses from Fortress and have thus increased significantly relative to the comparative period.

At a Western level Salary and related headcount expenses have increased with key senior appointments made during the third quarter. Interest expense decreased relative to prior periods as most debt has been repaid except for a shareholder loan from Golden.

From a Fortress perspective, the company has written a significant amount of new business that is initially weighted with higher expenses, resulting in lower revenue recognition at the beginning of the policy term. As these policies mature, insurance revenue is expected to increase over time. Fortress continues to manage its general and administrative expenses in line with its growth to maintain profitability.

During the first quarter of 2025, Western converted \$5 million of outstanding debentures into common shares, transforming a significant liability into equity and reducing future interest expense. Income from equity investments increased primarily due to strong performance at GlassMasters, which continues to achieve record profits. Other finance income reflects interest earned on loans to associates and cash deposits. Investment income also includes earnings from Fortress' investment portfolio; further details on this portfolio are provided in the Fortress section.

**Financial Position**

Financial position (\$'000)	September 30, 2025	December 31, 2024
Cash	52,782	43,245
Investments	5,923	11,861
Reinsurance Assets	38,236	20,954
Investment in Associates	16,966	16,226
Goodwill	7,694	7,694
Other assets	4,661	3,765
<b>Total assets</b>	<b>126,262</b>	<b>103,745</b>
Insurance contract liabilities	47,879	32,536
Debentures/ loan	900	5,840
Other liabilities	11,358	4,625
<b>Total liabilities</b>	<b>60,137</b>	<b>43,001</b>
<b>Shareholders' equity</b>	<b>66,125</b>	<b>60,744</b>
<b>Total liabilities &amp; shareholder's equity</b>	<b>126,262</b>	<b>103,745</b>
<b>Share count information</b>		
Common shares issued and outstanding (Millions)	158.8	148.3

Cash remains in a strong position at end of Q3 with \$29M held at Western and \$23.8M at Fortress. Cash held not only provides immediate liquidity but is also subject to attractive interest rates and avoids much of the volatility in the markets.

Investments are held at a Fortress level and the drop since the beginning of the year is due to monetizing of Preferred and common equities into cash during Q3/25.

Investments in associates has increased mainly due to the equity Income from the associates of \$1.3M, netted off with repayments of capital of \$0.5M and dividends of \$150K from the Golden investment.

Reinsurance assets and insurance contract liabilities increased as Fortress continues to grow and write additional business

Other liabilities increased from year-end, mainly due to timing in settlement of amounts due, which included fronting payables increase of \$4.4M and \$5.0M in collateral held, other payables reduced relative to their year end balance.

Shareholder equity has increased by \$5.4M coming from Total comprehensive income generated of \$0.4M, conversion of the convertible debentures into Western shares \$4.8M (see below), and share based compensation of \$0.2M.

As at December 31, 2024, Western had \$4.8 million in outstanding debentures and a \$1.0 million shareholder loan. The debentures were converted to equity during the first quarter, as described in the Liquidity and Capital Resources section, and a payment was made on the shareholder loan.

## Fortress Results and Financial Overview

Fortress is a Canadian-licensed insurance company focused on specialty and surplus lines of business within the Canadian insurance marketplace. The principal business for Fortress involves property insurance, but the company also offers insurance in niche products, including accident & sickness, liability, boiler & machinery, marine, fidelity, legal expense, and surety. Fortress is now licensed across the country except for Quebec. During the second quarter of 2025, Fortress added Newfoundland and Labrador, and Nova Scotia licenses to its offerings and in early August 2025, received New Brunswick and Prince Edward Island licenses.

Through a challenging 'soft' market, Management has been focused on diversification of product offering, account retention, portfolio underwriting management, and prudent growth. Complementing these activities is the continued development of deeper relationships with existing broker and MGA partners, through exploration of additional classes where capacity may be needed. This, alongside continued development of new strategic relationships, aims to achieve greater scale and to position the corporation well for when the market hardens.

### Key Highlights:

- GWP grew 47% to \$45.5 million to date in 2025 compared with \$30.9 million during the comparative first nine months of 2024.
- Fortress added a significant specialty program in late 2024 and five additional products to date in 2025. These programs add to the diversity of the portfolio.
- Fortress' total investment portfolio, including cash and cash equivalents, grew 27% to \$29.7 million compared to \$23.5 million at December 31, 2024, including \$5 million held in cash as collateral for a new fronting program.

Financial highlights for Fortress (at 100%) are presented below:

	Three months ended		Nine months ended	
	September 30,		September 30,	
Financial results (\$'000)	2025	2024	2025	2024
Gross written premium	16,770	15,146	45,520	30,946
Insurance revenue	7,840	6,207	21,357	17,778
Total insurance service result	382	616	829	1,117
Net Investment income	340	487	811	975
<b>Net income (loss)</b>	<b>230</b>	<b>(6)</b>	<b>243</b>	<b>137</b>
Balance sheet	September 30, 2025		December 31, 2024	
Total assets	68,265		43,961	
Total liabilities	57,888		34,855	
Total Shareholder's equity	10,377		9,106	

*Note: The above table reflects stand-alone Fortress results, excluding consolidation adjustments for the Corporation.*

The third quarter saw a 10.7% increase in the existing portfolio's GWP as compared to the same period in 2024; additionally, the introduction of the new programs in late 2024 and the second and third quarter of 2025 increased GWP by 14.8%, resulting in a net overall increase of 47.3%.

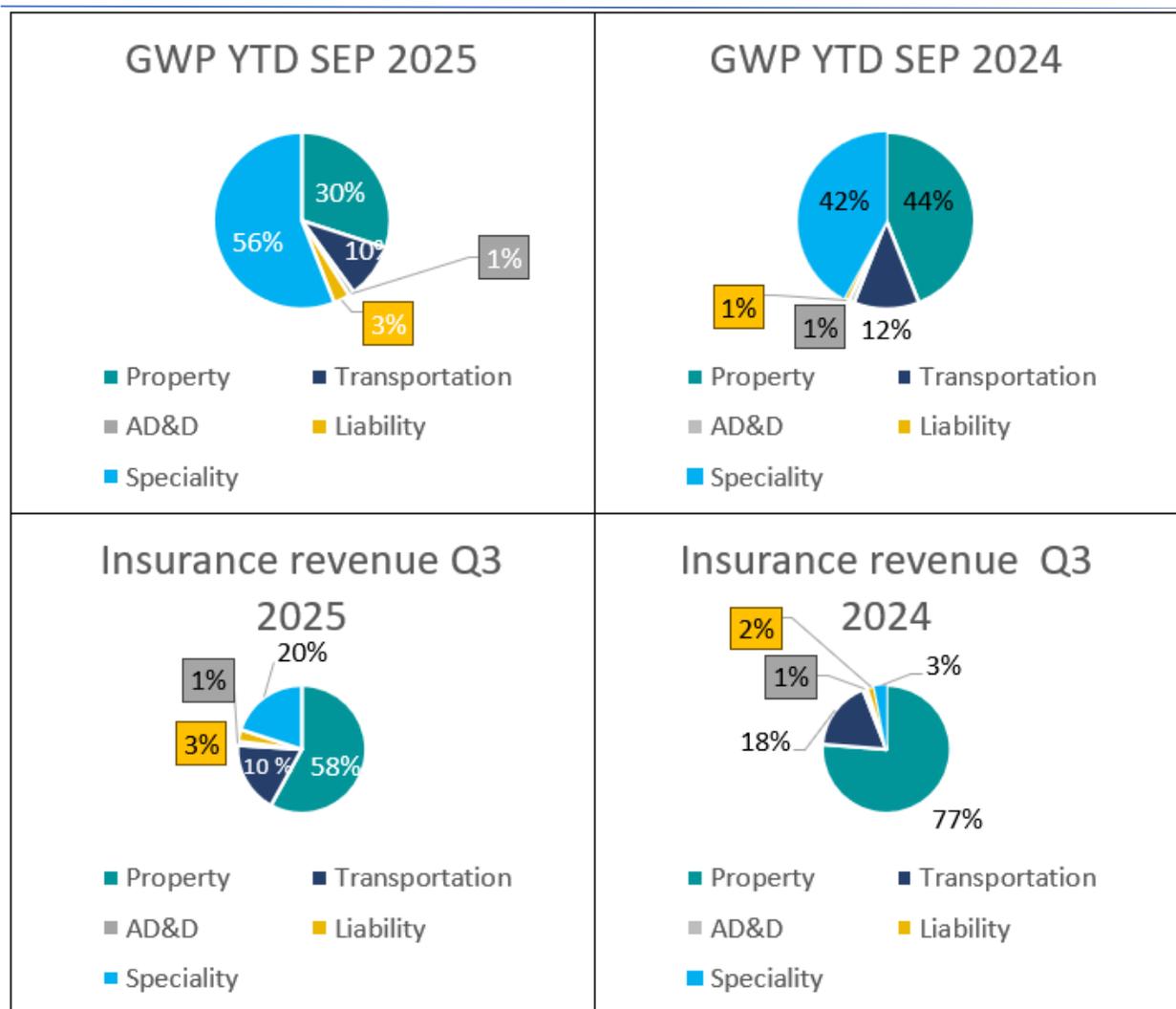
Although insurance revenue increased 20% year over year, total insurance service result decreased by 26%. This is mainly due to increased claims and the fact that the long-term policies written under the new specialty programs have an end-tailed profitability. This means profitability on these longer-term programs will increase gradually over their term.

Total investment income saw a decrease of 17% in the first nine months of 2025 compared to the same to the prior period. This decrease is attributed to lower investment returns and a portion of invested assets being liquidated for a portion of the year as the capital is moved to a new investment manager.

The Insurance industry's 'soft market' conditions persist in 2025, in particular in residential property across the country. The abundance of capital, as global markets look to deploy their healthy capital reserves in the relative 'safety' of Canada, alongside ever-improving risk segmentation and modelling tools, has pushed competition to a peak. As a result, and consistent with 2024, capacity in the market is still abundant; however, rates have decreased. While this may impact Fortress's growth and retention, management continues to focus on prudent underwriting practices, building diversity geographically and by segment or product, supporting our existing partners and retaining GWP.

Management is also working to find niche areas of products to stay relevant with current broker partners.

Comparison of Gross written premium and Insurance revenue as at YTD Q3/25 and Q3/24 illustrating the change in composition of written premium and its earning through Insurance revenue.



In 2024, Fortress added an automobile replacement value insurance product and a tire and rim program to its specialty segment lineup. These specialty programs based out of British Columbia, added during the second and fourth quarters of 2024, have increased expenditures, and they will take time to contribute substantially to the bottom line due to the length of some of the policies written. Profitability on premiums written on these programs increases gradually throughout the term of the policy. During the third quarter, Fortress launched a third fronting agreement with a church organization with property and liability policies across Canada excluding Quebec. This fronting agreement supplies the regulated insurance policy framework that the organization's captive needs to operate. It is secured by \$5.0 million cash collateral, and Fortress earns a fronting fee and investment income from the gross written premium flow through. Fortress continues to focus on loss ratio management and prudent growth, emphasizing diversification of product lines and geography and on growing business..

The trailing 12-month loss ratio as at September 30, 2025 (incurred losses, including incurred but not reported, over earned premium) is 53.3% (September 30, 2024 54.8%). Year to date, Fortress has incurred favourable loss development of approximately 8% (2024 8%). As Fortress's earned premiums grow, so does the potential for claims.

The trailing 12-month expense ratio and combined ratio is higher than expected in part due to expenses related to the setup of the new automotive replacement value insurance product and to one-time events, such as the conversion of Fortress's ESOP to a cash-settled plan, as well as increased professional fees related to the Western/Fortress transaction. Removing the costs of the latter, the normalized trailing 12-month expense and combined ratios are 47.7% and 97.4%, respectively.

With respect to Fortress' Minimum Capital Test ("**MCT**"), the business remains well capitalized and in excess of limits required for compliance with regulatory requirements.

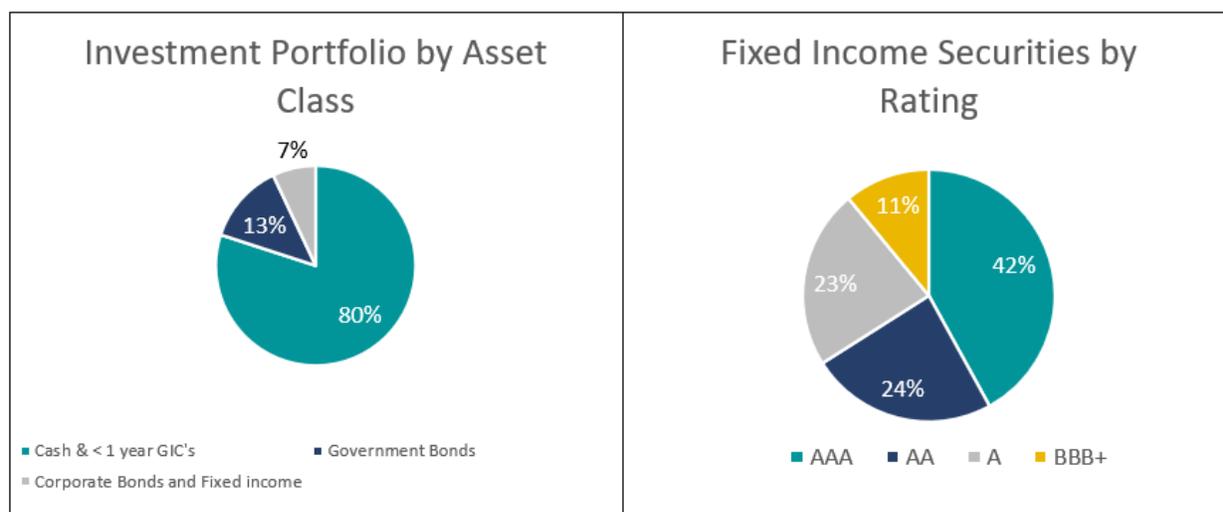
Prior to October 1, 2024, Western held 29% ownership of Fortress and appointed two of eight directors to the Board. This gave Western significant influence over the investment. As such, Fortress was accounted for under the equity method. Fortress' remaining outstanding shares were acquired during the fourth quarter 2024, giving Western 100% ownership. As a result, starting October 1, 2024, Fortress results are consolidated into Western's financials.

### Investment Performance Review

Fortress' investment policy seeks to achieve superior long-term total returns in order to support its liabilities and maintain strong regulatory and economic capital levels. In 2025, Fortress' new investment philosophy focuses on clearly understanding each portfolio investment thoroughly as a core tenet of the business, with the same rigour that is applied for insurance underwriting and relying less on outside investment managers. At the end of Q3/25, Fortress liquidated the preferred and common shares portfolios, and the proceeds are reflected as cash on its balance sheet at the end of the quarter. On October 1<sup>st</sup>, 2025, the management of the proceeds from these portfolios were transferred to Tevir Capital, a related party with extensive experience in investment management, who will act as the portfolio manager for Fortress.

### Summary of Cash and Investments

Fortress' \$29.7 million investment portfolio consists of cash and cash equivalents, , and government and corporate bonds,. All of Fortress' fixed income holdings are highly liquid (able to sell a fixed income investment within a short period of time). 89.2% of fixed income holdings are rated A or higher, with the remaining 10.8% rated at BBB+.



### Net Investment Income

	Three months ended		Nine months ended	
	September 30,		September 30,	
Financial results (\$'000)	2025	2024	2025	2024
Investment income	238	174	598	525
Net realized gains (losses)	110	(10)	184	5
Changes in fair value	(8)	323	29	445
<b>Net Investment Income</b>	<b>340</b>	<b>487</b>	<b>811</b>	<b>975</b>

Net Investment Income is comprised of dividend and interest income from invested capital. During the year, invested capital consists of a combination of cash and cash equivalents, investment-grade government bonds, corporate bonds, common shares and preferred shares. As our gross written premiums grow, so shall our investment base and associated investment returns. Net investment income for the quarter and year to date decreased compared to the respective prior periods because the market yielded lower interest rates than in the past and some invested assets were sold to move capital to a new investment manager so there was a decreased invested base to earn investment income.

Net realized gains (losses) and changes in fair value represent Fortress' returns for holding and transacting investments in bonds and shares. These returns are a combination of changes in market valuations and foreign exchange fluctuations at the time investments are sold or mature, or at revaluation to market value at period end for those investments that are still owned by Fortress. Fortress had favourable net realized gains during the current year-to-date as market values of assets sold and matured during the period were greater than their cost base. Net realized gains were greater in comparison to the prior comparative periods as more assets were sold and matured during the period. Conversely, changes in fair value decreased from prior periods due to a decreased capital base being deployed in the market and invested capital appreciated at a slower return than prior periods.

## 2025 Insurance Industry Outlook

With premium rates in the Canadian commercial lines market having *continued to decline* in line with the soft market, capacity is abundant and many insurers are deploying capital into Canada. The outlook for the rest of the year is that rates will most likely continue to decline albeit modestly, pricing pressure will continue for challenged classes with heavier exposures, but ultimately leading to mildly favourable conditions for clients in general. However, the soft market can shift and start to harden if large losses accumulate or if capacity withdraws and so the Corporation continues to actively monitor insurance industry activity, careful risk selection and responding accordingly to achieve the best possible outcomes for the business, while prioritizing product line and geographic diversification.

Operating Metrics	Definition
Combined Ratio	Measures an insurer's profitability by comparing claims and expenses to earned premiums; it is calculated as (Incurred Losses + Expenses) / Earned Premiums. A ratio below 100% indicates underwriting profit, while a ratio above 100% signals an underwriting loss.
Expense Ratio	Expense ratio is the percentage of an insurer's earned premium that is used to cover operating expenses such as underwriting, commissions, and administrative costs. It reflects how efficiently the insurer manages its business operations relative to the premiums it earns.
Gross Written Premiums	Gross Written Premium (" <b>GWP</b> ") refers to the total premium an insurance company writes during a specific period before deductions for reinsurance and cancellations. It represents an internal metric for management to measure top-line revenue from all policies issued, providing a key measure of an insurer's business volume.
Loss Ratio	Loss ratio is a key insurance metric that compares total claims paid and reserved to the premiums earned over a specific period. It indicates how efficiently an insurer is underwriting risk – lower ratios suggest better profitability, while higher ratios may signal underwriting or pricing issues.
MCT	The Minimum Capital Test (" <b>MCT</b> ") is a regulatory measure used in Canada to assess the financial strength and solvency of an insurer. It compares its available capital to its required capital, with a higher ratio indicating a stronger ability to meet obligations and absorb losses.

## Summary of Equity Investments

The following is a summary of the results for each of Western's Associates for the nine-month period ended September 30, 2025.

The performance of our Associates is evaluated based on revenue, net income from operations, and EBITDA (see below).

EBITDA is a supplemental measure of operating performance, calculated by adding back tax, depreciation and amortization, and interest to the associate's net income (see the "Description of Non-GAAP Measures" section below for further details).

### **GlassMasters**

Western holds a 55% investment in GlassMasters, an automotive glass service company with retail locations providing repair and replacement of auto glass and automotive glass warehouses that import a full line of quality aftermarket glass parts and materials at competitive prices. Principal markets are in Alberta, Saskatchewan, British Columbia and Manitoba.

On April 1, 2022, the shareholders of GlassMasters approved a special resolution to distribute \$8M in capital by reducing the stated capital of the Class "A" common shares. For tax purposes, the distribution was treated as a return of paid-up capital and was settled through the issuance of a five-year promissory note, of which Western's portion amounted to \$4.7M. The note includes an automatic five-year renewal upon each maturity date, with an interest rate determined periodically by GlassMasters' Board of Directors. For 2025, the Board set the interest rate at 14% (2024 – 14%). As at year-to-date Q3 2025, \$0.5 million of interest had been earned on this note (June 30, 2024 – \$0.5M), with no amount currently due.

The interest earned on the note receivable provides cash flow and an additional income source for the Corporation and creates tax efficiencies at the operating company. The intention is for the note to be renewed indefinitely, and it is considered part of Western's total investment in GlassMasters.

GlassMasters contributed equity income of \$1.1M and finance income of \$0.5M to Western's results in the period ended September 30, 2025 (September 30, 2024 - \$0.8M of equity income and \$0.5M in finance income).

In conjunction with the strong results, GlassMasters repaid the majority of outstanding balance on the GlassMasters shareholder loan, for a total payment of \$344K in early Q3/25 leaving a balance of \$56K as at September 30, 2025 (Balance at September 30, 2024 \$351K)

#### Key Highlights:

- Revenue grew 12% to \$36.5M in 2025 compared with \$32.7M in the comparative period of 2024.
- Year-to-date gross profit grew 20% from \$9.9M in 2024 to \$11.9 million in 2025, and EBITDA grew 12% from \$4.7M to \$5.2M.
- Net Income increased by 45%, coming in at \$2.0M vs \$1.4M in the same period in 2024.

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Financial highlights for GlassMasters (at 100%) are presented below:

	Three months ended		Nine months ended	
	September 30,		September 30,	
Financial results (\$'000)	2025	2024	2025	2024
Revenue	13,802	12,735	36,531	32,732
Gross profit	4,901	4,175	11,867	9,906
Net income	1,152	1,188	2,038	1,408
Note payable interest paid to shareholders net of tax	227	227	681	681
<b>Adjusted Net income<sup>1</sup></b>	<b>1,379</b>	<b>1,415</b>	<b>2,718</b>	<b>2,089</b>
Net income	1,152	1,188	2,038	1,408
Interest	185	552	1,015	1,360
Amortization and depreciation	441	494	1,447	1,495
Tax	337	357	745	421
<b>EBITDA<sup>2</sup></b>	<b>2,115</b>	<b>2,592</b>	<b>5,245</b>	<b>4,684</b>

<sup>1</sup> Non-GAAP measure - Interest on shareholder notes payable was added back to net income to provide normalized operating income (loss).

<sup>2</sup> EBITDA is a Non-GAAP measure, that management uses to assess performance. The reconciliation above ties to the financial statements of the company.

GlassMasters continues to post strong top-line with a 12% increase in year-to-date revenue compared to the same period of 2024. This growth is coming from expansion, with new stores and warehouses being added, as well as gains in market share at existing locations

Over the past year, newer store and warehouse additions in Kelowna and Winnipeg have been steadily growing. As the company adds new locations, margins can be temporarily affected as it takes time for stores to develop sufficient business to break even. These new locations are now starting to positively add to the bottom line. During the second quarter the Winnipeg location moved to its new permanent location.

Adjusted net income, which removes interest earned on the notes payable to shareholders, for the nine months ended September 30, 2025 increased by 29%, and ended on \$2.7 million compared to \$2.1M in the same period in 2024. Gross profit grew 20%, and EBITDA is up 12% from the prior comparative nine months of 2024.

The strong results can be attributed to several factors including some branches experiencing higher volumes of work from insurance claims that typically carry higher margins, focus on labor utilization and cost control, and improved management of material costs. In addition, the company benefited from successful recoveries of bad debts.

In 2024, the company expanded into Manitoba, relocating from a temporary retail space to its permanent location. Management is currently planning to open a second location in Saskatoon in early 2026. During the second quarter, the company experienced a shift toward increased retail activity, which is contributing to higher-margin revenue.

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GlassMasters generates the majority of its income during the spring and summer driving seasons. Due to the seasonal nature of its operations, readers are advised not to place equal weight on quarterly financial results across all periods.

Western exercises significant influence over GlassMasters, as it appoints two of the six directors; however, this does not constitute control. Accordingly, the Corporation accounts for this investment using the equity method.

**Foothills Creamery Ltd.**

Western holds a 49% interest in Foothills, a producer and distributor of high-quality butter and ice cream products with over 50 years of experience in Western Canada. Headquartered in Calgary, Alberta, Foothills serves customers through an extensive grocery retail and food service network across the region, supported by distribution facilities in Edmonton, Alberta, and Kelowna, British Columbia. Its butter products are specially churned using only the freshest cream, resulting in a smooth texture and exceptional taste. The primary markets for its butter include grocery retailers and the food service sector, such as commercial kitchens and bakeries. Ice cream sales are seasonal, with peak activity occurring during the spring and summer months.

Year to date as of September 30, Western recorded equity loss of \$58K from Foothills in the period compared to an equity profit of \$329K in the comparative 2024 period. Western earns annual management fees of \$75K from Foothills. \$92K in interest was earned on the shareholder loan during the period (June 30, 2024 – \$42K).

**Key Highlights:**

- Revenue was up 6.5% at \$30.4M YTD Q3/25 compared to \$28.6M in the first nine months of 2024.
- EBITDA is consistent with the prior year at \$2.6M and net income is down slightly due to increases in interest expense.

Financial highlights for Foothills (at 100%) are presented below:

Financial results (\$'000)	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Revenue	11,919	11,739	30,422	28,568
Gross profit	3,112	3,322	7,385	6,813
<b>Net income</b>	<b>370</b>	<b>950</b>	<b>(58)</b>	<b>329</b>
Interest	458	365	1,355	1,022
Amortization and depreciation	442	421	1,267	1,195
Tax	137	104	51	70
<b>EBITDA<sup>1</sup></b>	<b>1,406</b>	<b>1,840</b>	<b>2,615</b>	<b>2,616</b>

## The Western Investment Company of Canada Ltd.

### Management's Discussion and Analysis

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<sup>1</sup> EBITDA is a Non-GAAP measure that management uses to assess performance. The reconciliation above ties to the financial statements of the company.

Ice cream sales are up 20% for the first three quarters vs 2024, a trend that has continued throughout the year particularly in the warmer months. Gross profit is up 8% with margins 0.4% higher than the prior year.

While operating expenses were planned to increase relative to the prior year, the budget was slightly exceeded in the areas of promotions and advertising with the main aim to boost sales and in technology spend with the implementation of the WMS Inventory management system. Many of these costs are once off costs and should not affect the expense run rate into the future.

As a result, EBITDA at the end of Q3/25 ended in line with the prior year at \$2.6M.

Management has worked to reduce inventory levels, which are down \$0.4M from the prior comparative period thanks to improved inventory management. The reductions have improved the companies' working capital, allowing them to reduce payables. It is expected that the company will continue to improve its inventory management further over the remainder of the year.

During Q3 the balance sheet has improved with liabilities reducing by \$1.9M and \$0.4M addition to surplus.

Foothills will continue to focus on maintaining profitability by emphasizing sales of higher-margin frozen products. The company plans to expand this category by more than \$2 million in 2025. Within the butter segment, Foothills is responding to tight market conditions by shifting its focus toward the whipped butter category, where it can deliver greater value, achieve higher margins, and better serve a diverse customer base. Innovation also remains a key strategic priority for Foothills like the launch of a new single-serve retail product in the Spring, which has demonstrated early success.

A key challenge for Foothills continues to be its leverage position. Total annual debt service requirements are approximately \$2.6 million, including \$1.3 million in annual interest payments. Management actively manages cash flow and closely monitors compliance with bank covenants. A partnership between Farm Credit Canada (FCC) and Bank of Montreal (BMO) is expected to provide additional flexibility, as the loans will carry similar covenants to those currently in place with BMO but are anticipated to provide relief on senior funded debt and improve working capital by approximately \$0.5 million. The transition is expected to take effect on January 1, 2026.

Following a covenant breach with its lender in the prior year, Foothills entered into an agreement requiring shareholders to provide equity cure payments to maintain covenant compliance. In accordance with this agreement, Western contributed \$250K in December 2024 and \$337K in June 2025. These amounts were added to the shareholder loan balance due from Foothills. On August 1, 2025, the company signed an extension agreement for its bank facilities, resulting in a 0.4% reduction in its interest rate. At the end of the third quarter, Foothills remained in compliance with its Senior Funded Debt covenant but is expected to breach the Fixed Charge Coverage covenant. The lender is aware of this breach and will issue a letter of tolerance.

Western continues to support Foothills Creamery through a shareholder loan bearing interest at 13% per annum, with any unpaid interest added to the principal balance. The loan initially carried a one-year term, with the option to extend for four consecutive six-month periods and was set to mature in October 2025. It was decided to extend the loan until the end of 2025.

At maturity, Western holds the option to convert the outstanding principal, together with all accrued and unpaid interest, into common shares of Foothills at a conversion price of \$1.00 per share. If exercised, Western will also receive share purchase warrants equal to one-third of one warrant for each share issued upon conversion, with each warrant entitling Western to purchase one additional share of Foothills. As at September 30, 2025, the loan balance owing to Western was \$1.25M (December 31, 2024 – \$0.77M).

Due to the seasonal nature of Foothills' operations, readers are advised not to place equal weight on financial results across all quarters. Western holds a 49% ownership interest in Foothills and appoints two of seven directors to its Board. As Western does not hold voting control, decisions require majority Board approval. Accordingly, Western exercises significant influence but not control over Foothills and therefore accounts for the investment using the equity method.

### **Golden Health Care**

Western holds a 30% equity interest in three Saskatchewan senior care homes and a 25% interest in Golden Health Care Management Inc. The three homes include Hill View Manor Ltd. in Estevan, The Good Shepherd Villas Inc. in Prince Albert, and William Albert House Ltd. in the Regina suburb of Emerald Park (collectively referred to as "Golden"). Western is proud to be aligned with the experienced management team at Golden Health Care Management Inc., which provides management services to a portfolio of seven retirement communities comprising more than 450 suites under the Golden Health Care banner.

Golden Health Care is the largest full-service retirement operator in Saskatchewan. Its "aging in place" model enables residents to transition seamlessly from assisted living to long-term care within the same facility, maintaining a family-like environment rather than an institutional setting, regardless of care level.

For the nine months ended September 30, 2025, Western recognized \$270K in equity income from Golden, compared to \$122K in the same period of 2024. Western also received \$150K in dividends from Golden (September 30, 2024 – \$90K), of which \$105K was applied toward repayment of the shareholder loan payable to Golden.

On June 24, 2025, Golden declared a return of capital to be distributed to shareholders. Western's share of this distribution was \$479,700, which was received shortly after period end and recorded as a reduction to the carrying value of the investment.

#### **Key Highlights:**

- Revenue grew by 10.4% to \$8.2M YTD at the end of Q3/25 compared with \$7.4M in the YTD Q3/24, as efforts to improve occupancy at underutilized homes yielded intended results.
- EBITDA grew 49% to \$2.0M in the period, compared with \$1.4M over the same period of 2024.

**The Western Investment Company of Canada Ltd.**  
**Management's Discussion and Analysis**

- Net income for the year-to-date was \$0.9M compared with \$0.4M in the comparable period of last year, more than double the prior period.

Financial highlights for Golden (at 100%) are presented below:

	Three months ended		Nine months ended	
	September 30,		September 30,	
Financial results (\$'000)	2025	2024	2025	2024
Revenue	2,773	2,548	8,179	7,407
<b>Net income</b>	<b>291</b>	<b>102</b>	<b>900</b>	<b>403</b>
Interest	132	120	361	329
Amortization and depreciation	96	136	406	405
Tax	125	63	352	218
<b>EBITDA<sup>1</sup></b>	<b>644</b>	<b>422</b>	<b>2,019</b>	<b>1,355</b>

<sup>1</sup> EBITDA is a Non-GAAP measure that management uses to assess performance. The reconciliation above ties to the financial statements of the company.

Golden has seen a significant increase in year-to-date revenue thanks to improvements in occupancy at the two previously underutilized homes. Inflationary pressure has eased on the expense side, allowing the company to make gains in EBITDA.

All three homes have improved their occupancy levels relative to the prior year, most notably William Albert house who has increased occupancy by ~15%. Two of the three are now in compliance with their bank covenants, with the third making small improvements as occupancy gains are made.

During the year, Western provided a \$105,000 repayment on the Golden shareholder loan to address the covenant breach at the one home (\$90,000 repayment was made in the nine months of 2024). Covenants are tested once annually as at August 31, and no further breaches have occurred in the year in line with the recent strong results.

Private homes in Saskatchewan face competition from government-run homes subsidized by tax dollars. Golden homes do not receive government subsidization to assist in meeting the health care needs of their residents. Management is working with the government to change this, where the government may use some of Golden's beds for their funded patients.

Western appoints two of five members of the Board of Directors of Golden Health Care Management Inc., the company that oversees the operating companies. Through our shared ownership and appointments to the Board of Directors, the Corporation can exercise significant influence over the investment but not control over Golden. Accordingly, the Corporation is using the equity method to account for its investment.

Summarized financial information about Western's Associates and investments in these Associates is disclosed further in the notes to the financial statements.

## Summary of Western's Quarterly Financial Information

Selected unaudited financial data for our operations during the last eight quarters are as follows:

<b>\$000s except for per share amounts</b>	<b>Sep 30 2025</b>	<b>Jun 30 2025</b>	<b>Mar 31 2025</b>	<b>Dec 31 2024</b>	<b>Sep 30 2024</b>	<b>Jun 30 2024</b>	<b>Mar 31 2024</b>	<b>Dec 31 2023</b>
Insurance revenue	10,015.5	8,518.1	8,212.0	8,142.1	-	-	-	-
Insurance service result	277.1	357.2	319.8	81.3	-	-	-	-
Operating expenses	1,277.5	1,293.3	1,503.7	1,821.1	735.9	563.0	431.3	414.3
Other income/(expense)	1,436.9	1,351.1	132.5	2,506.9	1,257.0	667.0	(43.8)	(549.9)
Net income (loss)	602.2	752.0	(983.8)	1,126.6	521.1	104.0	(475.1)	(849.9)
<b>Earnings (loss) per share</b>								
Basic	0.004	0.005	(0.007)	0.014	0.017	0.003	(0.016)	(0.028)
Diluted	0.003	0.004	(0.007)	0.014	0.017	0.002	(0.016)	(0.028)
Total assets	126,261.9	112,200.0	105,756.1	103,745.0	21,128.2	19,999.1	19,156.6	19,864.5
Long-term debt	900.0	900.0	900.0	1,005.0	7,634.1	7,292.3	6,636.4	5,603.3

## Quarterly Trends and Seasonality

Effective October 1, 2024, Western acquired control over its associate Fortress Insurance, at which time Fortress became a subsidiary. Fortress results for the fourth quarter of 2024 and thereafter are consolidated into Western.

Operating expenses increased since Q4/24 with the consolidation of Fortress and the new structure at Western brought additional operating expenses, such as salaries and professional fees. Other income includes equity income which typically low in the first and last quarter of the year due to the seasonal nature of our associates, as well as interest income and management fees.

In the first quarter of 2025, all outstanding debentures were converted to common shares. The operating line used to fund operations through Q2 and Q3 of 2024, and was fully repaid in the Fourth quarter with proceeds from the capital raise. As of the end of this quarter, the Corporation carries one shareholder loan. Further details are provided below.

## Liquidity and Capital Resources

The following table is a summary of our statement of cash flows:

	Nine months ended September 30,	
Cash flow (\$'000)	2025	2024
Cash provided by (used in) operating activities	2,995	(1,377)
Cash provided by (used in) investing activities	6,708	(2)
Cash provided by (used in) financing activities	(166)	766
Increase (decrease) in cash	9,537	(613)
Cash at beginning of period	43,245	619
<b>Cash at end of period</b>	<b>52,782</b>	<b>6</b>

*Results for 2025 include the consolidated results of Fortress, prior to Q4/24 Fortress was accounted for as an equity investment and not consolidated into group results*

Net cash provided by operating activities for the nine months ended September 30, 2025, was primarily driven by an increase in collateral held related to the Avestist business.

From 2025 Western has had increased cash flow requirements to fund operations at the holding company level. This includes cash for general and administrative costs, professional fees, salaries, and working capital needs, and earlier in the year significant payables related to the Fortress transaction and capital raise were paid during the first quarter. Cash expenses are offset by interest income earned.

Cash provided from investing activities in the first nine months of 2025 includes \$8.1M in cash from the proceeds on the sale and maturity of investments in the insurance investment portfolio which include the monetization of common and preferred equities at Fortress into cash. Overall, proceeds exceeded the \$1.9M in investment purchases during the period. Cash was also advanced to associates. In the comparative period of 2024, results reflect only Western's operations, where dividends received from Golden offset advances made to associates.

Cash used by financing activities for the nine months ending September 30, 2025 relates primarily to a repayment on the shareholder loan. In the 2024 comparative period, cash provided by financing included advances taken on the operating line net of repayments on convertible debentures.

Western's capital structure is outlined below:

(\$'000)	Sep 30, 2025	Dec 31, 2024
Loan from related party	(900)	(900)
Convertible debentures	-	(4,835)
Less: cash	52,782	43,245
<b>Net capital</b>	<b>51,882</b>	<b>37,510</b>
<b>Shareholder's equity</b>	<b>66,125</b>	<b>60,744</b>

The Corporation has a committed revolving operating loan facility available to a maximum amount of \$2,000,000. The facility had a three-year revolving period with a maturity date of

October 6, 2025 which was extended into December 2025 and is currently under renewal. The facility remains unused (as in 2024). The facility carries an annual standby fee of 0.5% of the unused portion and if utilized would be subject to interest at the bank's prime rate plus 2%. Security includes a share pledge agreement with respect to the Corporation's interest in some of its Associates.

Western holds a \$0.9M loan from Golden Health Care. The loan bears an annual interest rate of 6.09% with interest-only payable monthly and matures on January 31 each year, with automatic annual renewal. The Corporation may prepay amounts owing at any time. During the second quarter, Western received dividends in the amount of \$150K from Golden and applied \$105K of this to the outstanding balance on the loan. With the perpetual nature of the loan, Western has no set plans to repay amounts on the outstanding principal balance and expects to make payments from time to time as cash is available and dividends are received. Total annual interest payments on this loan are currently \$47,037 to the end of September 30, 2025.

As at December 31, 2024, the Corporation had issued \$5.0 million face value of unsecured convertible Debentures ("the Debentures") with a principal value of \$1,000 each. Each Debenture was convertible into common shares of Western at a conversion price of \$0.48 per share at the holder's discretion. The Debentures were due to mature on December 31, 2025, and bore interest at the rate of 9.6% per annum, payable semi-annually at the end of March and September. The Debentures were compound financial instruments containing both a liability and equity component. The liability component of the Debentures represented the present value of interest and principal payments over the life of the financial instrument, discounted at 15%, which was the approximate rate available to the Corporation for similar debt without the conversion feature at the date the Debentures were issued in 2023.

The Debentures also included a forced conversion feature allowing Western, at its option, to convert the Debentures into common shares if the closing price of Western's shares on the TSX Venture Exchange reached or exceeded \$0.65 for 20 consecutive trading days. During the six months ended June 30, 2025, these conditions were satisfied, and on March 7, 2025, Western exercised this conversion option. As a result, all outstanding Debentures were converted into 10,582,007 common shares at a conversion price of \$0.4725 per share. At the time of conversion, the carrying value of the liability component was \$4.8M, and the equity component was \$0.4M, resulting in a total increase in share capital of \$5.2M.

During 2024, Western completed a capital raise, raising \$30M via a private placement and \$6.3M via a rights offering. Cash on hand is intended to be used to support working capital requirements and to be used for future acquisitions. The Corporation generates operating cash from finance income, management fees, and dividends from its Associates and/or subsidiary. Disposing of an investment, or a portion thereof, is also a potential source of cash for the Corporation. The Corporation's regular income does not currently cover its current working capital requirements. Western is dependent on the performance of its subsidiary and Associates to provide sufficient cash flow to the Corporation to cover operating expenditures and is currently meeting this shortfall with the capital provided by the capital raise that occurred in 2024. The Corporation maintains an operating line to cover potential shortfalls in the future. Management uses forecasts to monitor and manage the cash position and ensure sufficient room is available to meet operating requirements.

## Outstanding Share Data

### Authorized share capital

Our authorized share capital consists of an unlimited number of common and preferred shares.

### Issued share capital

Transactions from the prior period to current include:

On October 1, 2024, in line with the first tranche of acquisition of Fortress shares, Western issued 25,193,922 common shares.

On December 4, 2024, 15,742,365 common shares were issued on the close of the Corporation's 2024 rights offering.

In December 2024, 75,000,000 common shares were issued in a private placement.

On December 31, 2024, 2,125,000 common shares were issued in line with the second tranche of the Fortress shares acquisition.

On March 7, 2025, 10,582,007 shares were issued in relation to the Debenture conversion as outlined above.

The total common shares outstanding at September 30, 2025, were 158,851,050 (December 31, 2024 – 148,269,043).

In the nine-month periods ended September 30, 2025 no Western stock options were issued (September 2024 120,000). On September 30, 2025, the total Western stock options outstanding were 3,059,000 (December 31, 2024 – 3,059,000), with exercise prices ranging from \$0.27 to \$0.65. At September 30, 2025, the Corporation also had 75 million warrants outstanding, unchanged from December 31, 2024. The warrants expire on December 6, 2029 and have an exercise price of \$0.47.

During the year the Corporation approved and adopted an Omnibus Equity Incentive plan with the purpose of developing the interest of Service Providers (directors, officers, bona fide Employees and bona fide Consultants of the Corporation and/or any Related Entity) in the growth and development of the Corporation by providing such persons with the opportunity to acquire a proprietary interest in the Corporation. The plan was approved by the Board of directors on September 22, 2025 and by the TSX Venture exchange (TSXV) on September 29, 2025. The plan requires annual approval by the shareholders and the TSXV every year.

The Plan seeks to achieve these purposes by providing for awards in the form of Stock Options, Restricted Share Units (RSUs), Performance Share Units (PSUs), Deferred Share Units (DSUs) and Dividend-Equivalent Rights (all together referred to as equity-based awards) and provides governance of how equity-based awards are granted, managed and settled.

In terms of the plan, the Board of Directors of the Corporation may, from time to time, at its discretion, and in accordance with the TSX Venture Exchange requirements, grant Service providers equity-based awards provided that the number of common shares reserved for issuance under the plan shall not exceed 10% of the issued and outstanding common shares.

In September 2025, the Corporation appointed a new Chief Financial Officer and Chief Client Officer. In line with their employment offers, 2,460,316 restricted share units ("RSU's") were issued priced at \$0.60 and \$0.62 per share respectively. Fifty percent of these RSUs will cliff vest after five years, with the balance cliff vesting after 10 years. . The shares necessary to support these RSUs will be issued from treasury when vesting occurs.

The Corporation's wholly owned subsidiary, Fortress, has an Employee Share Ownership Plan (ESOP). Subsequent to the October 1, 2024, acquisition, Fortress entered into an agreement, outlining that options granted under the Fortress ESOP would be settled with shares of the Corporation. This agreement applies to all options previously granted and to be granted in the future. Settlement may occur by cash, or by buying Western's shares in the open market or through Western's treasury. The unvested portion of the Fortress options are recognized in consolidated profit or loss as they vest and are earned by the employees, based on their fair value as determined by the Black-Scholes option pricing model. In the 9 month period ending September 30, 2025, \$193,956 was recognized as an expense in the consolidated profit and loss (September 30, 2024 - \$nil).

### **Off-Balance Sheet Arrangements**

As at September 30, 2025, and up to the date of this MD&A, the Corporation had no off-balance sheet arrangements.

### **Related Party Information**

The Corporation has related party transactions with management and the Corporation's Associates. A detailed description of these transactions is presented in the notes to the financial statements for the period ended September 30, 2025, to be read in conjunction with this MD&A. Related party transactions are in the normal course of operations and are recorded at the exchange amount.

### **Subsequent Events**

In November 2025, Western appointed a Chief actuary. Together with the appointment, a further 806,452 restricted share units (RSUs) were issued These RSUs are subject to the Omnibus equity incentive plan and have the same vesting conditions as previously issued RSUs.

### **Risks and Uncertainties**

The Corporation and its associates are subject to a number of risks as they relate to the organizational structure and the operations of each company. When reviewing forward-looking statements and information contained within this report, investors and others should carefully consider these factors, as well as other uncertainties, potential events, and industry and Corporation-specific factors that may adversely affect the future results of each company. The Corporation and its Associates' environment is highly competitive, and it is not possible for management to predict all risk factors or the impact these risks may have on the businesses. The most significant risks identified by management can be found in the 2024 annual MD&A document, dated April 28, 2025 and should be considered by the reader. This document can be found at [www.sedarplus.ca](http://www.sedarplus.ca). No significant changes to those factors have occurred to date of this report.

## **Critical Accounting Estimates and Accounting Policies**

This MD&A is based on the financial statements, which are prepared in accordance with IFRS. The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the carrying amounts of assets, liabilities, revenues, expenses, and disclosures of contingent assets and liabilities. Actual results may differ from these estimates, and the differences could be material. Estimates, judgments, and assumptions are reviewed on a continuous basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in future years. The critical accounting estimates and judgments are described in detail in note 5 of Western's annual audited financial statements for the year ended December 31, 2024.

## **Financial Instruments and Risk Management**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument to another entity. Upon initial recognition, all financial instruments are recognized on the statement of financial position at fair value.

Subsequently, financial assets and liabilities are measured either at amortized cost, fair value through profit and loss and fair value through other comprehensive income.

Financial instruments, including cash and cash equivalents, accounts receivable, certain amounts due from related parties, accounts payable and accrued liabilities, and loans and borrowings, are measured at amortized cost.

Financial instruments classified at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognized in the statement of profit or loss and include certain amounts due from related parties, short-term investments and equities.

Financial instruments classified at fair value through other comprehensive income are carried in the statements of financial position at fair value with net changes in fair value recognized in the statement of other comprehensive income and include debt securities.

The Corporation, as part of its operations, is exposed in varying degrees to a variety of risks from the use of financial instruments. Risk management strategies are established to identify and analyze risks faced and to ensure risks and related exposures are consistent with the Corporation's business objectives and risk tolerance levels. As a result of the use of the above-mentioned financial instruments, the Corporation is exposed to risks that arise from their use, including market risk, credit risk, and liquidity risk. A detailed assessment of each of these risks is presented in the financial statements for the year ended December 31, 2024, to be read in conjunction with this MD&A.

## Description of Non-GAAP Measures

The Corporation uses accounting principles accepted in Canada under the International Financial Reporting Standards ("IFRS"). Certain supplementary measures in this document do not have any standardized meaning as prescribed by IFRS, including the non-GAAP measures "earnings before interest, taxes, and depreciation and amortization" ("EBITDA") used in relation to our analysis of the results of the Corporation's Associates. At times adjusted net income may be presented, to remove non-operating income or expenses or one-time transactions. This is believed to provide a better picture of true results from operations and/or be comparable to prior year results.

The Corporation's method of calculating non-GAAP measures may differ from other issuers and therefore may not be comparable to similar measures presented by other reporting issuers. These non-GAAP financial measures are included because management uses this information to analyze operating performance. Readers are cautioned that these non-GAAP financial measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

## Forward-Looking Information

This MD&A contains "forward-looking information" within the meaning of Canadian provincial securities laws and "forward-looking statements" within the meaning of applicable Canadian securities legislation. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, include statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of our Corporation and its subsidiaries, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, and include words such as "expects," "likely," "anticipates," "plans," "believes," "estimates," "seeks," "intends," "targets," "projects," "forecasts," "potential" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may," "will," "should," "would" and "could".

Although management believes that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results, performance or achievements of our Corporation to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in the countries in which the Corporation does business; the behavior of financial markets, including fluctuations in interest and foreign exchange rates; global equity and capital markets and the availability of equity and debt financing and refinancing within these markets; insurance risks including pricing risk, concentration risk and exposure to large losses, and risks associated with estimates of loss reserves; strategic actions including dispositions; the ability to complete and effectively integrate

acquisitions into existing operations and the ability to attain expected benefits; changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates); the ability to appropriately manage human capital; the effect of applying future accounting changes; business competition; operational and reputational risks; technological change; changes in government regulation and legislation within the countries in which the Corporation operates; governmental investigations; litigation; changes in tax laws; changes in capital requirements; changes in reinsurance arrangements and availability and cost of reinsurance; ability to collect amounts owed; catastrophic events, such as earthquakes, hurricanes or pandemics; the possible impact of international conflicts and other developments including terrorist acts and cyberterrorism; risks associated with reliance on distribution partners, capacity providers and program administrators; third party risks; risk that models used to manage the business do not function as expected; climate change risk; risk of economic downturn; risk of inflation; risks relating to cyber-security; risks relating to credit ratings; and other risks and factors detailed from time to time in our documents filed with securities regulators in Canada.

Management cautions that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements and information, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, our Corporation undertakes no obligation to publicly update or revise any forward-looking statements or information, whether written or oral, that may be as a result of new information, future events or otherwise.