

**The Western Investment Company of Canada Limited**

Condensed Interim Consolidated Financial Statements  
(Unaudited)

For the period ended September 30, 2025

**Notice of No Auditor Review of Condensed  
Interim Financial Statements**

Pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of The Western Investment Company of Canada Limited (the "Corporation") for the interim reporting period ended September 30, 2025 have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board, and are the responsibility of the Corporation's management.

The Corporation's independent auditors, Ernst & Young LLP, have not performed a review of these unaudited condensed interim consolidated financial statements in accordance with the standards established by CPA Canada for a review of interim financial statements by an entity's auditor.

**The Western Investment Company of Canada Limited**  
Condensed Interim Consolidated Statements of Financial Position  
(unaudited)

		As at September 30	As at December 31
		2025	2024
	Notes	\$	\$
<b>Assets</b>			
Cash and cash equivalents		52,782,039	43,245,301
Accounts receivable		254,488	50,263
Accrued interest receivable		-	75,857
Income taxes receivable		337,437	-
Investments	4	5,923,371	11,861,210
Reinsurance contract assets	5	38,236,153	20,953,679
Prepaid expenses		891,841	261,861
Due from related parties	20	1,313,379	1,303,339
Intangible assets	6	1,752,378	1,900,508
Right of use asset		83,806	137,682
Property, plant & equipment		27,439	35,389
Investment in associates	7	16,965,621	16,226,006
Goodwill	8	7,693,912	7,693,912
<b>Total Assets</b>		<b>126,261,864</b>	<b>103,745,007</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities		1,561,433	2,234,745
Due to related parties	20	66,760	234,966
Income taxes payable		-	84,641
Other liabilities		14,791	-
Lease liabilities		82,230	136,337
Fronting payable		4,302,206	1,460,149
Collateral held	9	5,085,125	213,891
Convertible debentures	11	-	4,835,088
Loan from related party	12	900,000	1,005,000
Deferred taxes payable		245,193	260,668
Insurance contract liabilities	5	47,879,323	32,535,600
<b>Total Liabilities</b>		<b>60,137,061</b>	<b>43,001,085</b>
<b>Shareholders' Equity</b>			
Share capital	14	51,332,407	46,171,043
Contributed surplus		19,090,840	19,059,726
Equity component of convertible debentures	11	-	400,908
Deficit		(5,579,333)	(5,949,811)
Accumulated other comprehensive loss		6,292	(22,659)
Equity attributable to shareholders		64,850,206	59,659,207
Equity attributable to non-controlling interests	15	1,274,597	1,084,715
<b>Total Equity</b>		<b>66,124,803</b>	<b>60,743,922</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>126,261,864</b>	<b>103,745,007</b>
Nature of operations	2		
Subsequent events	23		

**Approved by the Board of Directors**

\_\_\_\_\_  
“Scott Tannas”  
Director

\_\_\_\_\_  
“Sharon Ranson”  
Director

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

**The Western Investment Company of Canada Limited**  
Condensed Interim Consolidated Statements of Income (Loss)  
(unaudited)

	Notes	For the three months	For the three months	For the nine months	For the nine months
		ended September 30,	ended September 30,	ended September 30,	ended September 30,
		2025	2024	2025	2024
		\$	\$	\$	\$
<b>Insurance service result</b>					
Insurance revenue	5	10,015,539	-	26,745,629	-
Insurance service expenses	5	(8,292,729)	-	(21,822,686)	-
Net expenses from reinsurance contracts held		(1,445,683)	-	(3,968,795)	-
<b>Total insurance service result</b>		<b>277,127</b>	<b>-</b>	<b>954,148</b>	<b>-</b>
<b>Net investment income</b>					
Net investment income	16	296,664	-	782,180	-
Interest accreted on insurance contracts issued		189,724	-	798,110	-
Interest accreted on reinsurance contracts held		(128,673)	-	(617,521)	-
<b>Net insurance financial expense</b>		<b>61,050</b>	<b>-</b>	<b>180,589</b>	<b>-</b>
<b>Other Operating and Administrative Expenses</b>					
Payroll		753,098	129,235	1,826,436	431,433
Share-based compensation	14,15	53,428	-	225,070	-
Director fees		31,228	-	93,682	-
Consulting fees		234,524	16,356	662,485	44,927
Professional fees		71,211	340,879	690,401	515,362
Depreciation and amortization		33,397	-	102,224	-
Other operating expenses		83,170	16,528	285,683	46,189
Interest expense	10,12	17,438	50,414	54,127	109,280
Interest on convertible debentures	11	-	182,475	134,464	582,983
<b>Total other operating and administrative expenses</b>		<b>1,277,494</b>	<b>735,887</b>	<b>4,074,572</b>	<b>1,730,174</b>
<b>Other income (expense)</b>					
Income from equity investments	7	893,310	1,008,243	1,369,315	1,178,643
Other finance income		466,121	211,245	1,327,095	566,012
Gain on disposal in investment in associate		-	-	-	22,978
Fronting administration fee		39,997	-	111,657	-
Management fees		37,500	37,500	112,500	112,500
<b>Total other income</b>		<b>1,436,928</b>	<b>1,256,988</b>	<b>2,920,567</b>	<b>1,880,133</b>
<b>Income (loss) before income taxes</b>		<b>672,175</b>	<b>521,101</b>	<b>401,734</b>	<b>149,959</b>
Income tax recovery		97,788	-	46,731	-
Deferred tax expense		(27,864)	-	(15,475)	-
<b>Net income (loss)</b>		<b>602,251</b>	<b>521,101</b>	<b>370,478</b>	<b>149,959</b>
<b>Net income (loss) attributable to:</b>					
Shareholders		602,251	521,101	370,478	149,959
Non-controlling interests		-	-	-	-
		<b>602,251</b>	<b>521,101</b>	<b>370,478</b>	<b>149,959</b>
<b>Net income (loss) per common share</b>					
Basic		0.004	0.017	0.002	0.005
Diluted		0.003	0.017	0.002	0.005
<b>Weighted average number of common shares outstanding</b>					
Basic		156,351,978	30,207,756	155,067,539	30,207,756
Diluted		175,983,549	30,651,205	174,701,539	30,684,108

The accompanying notes are an integral part of the consolidated financial statements.

## The Western Investment Company of Canada Limited

### Condensed Interim Consolidated Statements of Comprehensive Income (Loss)

(unaudited)

	For the three months ended September 30, 2025	For the three months ended September 30, 2024	For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
	\$	\$	\$	\$
<b>Net income (loss)</b>	<b>602,251</b>	<b>521,101</b>	<b>370,478</b>	<b>149,959</b>
<b>Items that may be reclassified to profit or loss in subsequent periods:</b>				
Unrealized loss for FVOCI instruments	43,447	(22,978)	28,951	(22,978)
<b>Other comprehensive loss for the period</b>	<b>43,447</b>	<b>(22,978)</b>	<b>28,951</b>	<b>(22,978)</b>
<b>Total comprehensive income (loss) for the period</b>	<b>645,698</b>	<b>498,123</b>	<b>399,429</b>	<b>126,981</b>
<b>Total comprehensive income (loss) attributable to:</b>				
Shareholders	645,698	498,123	399,429	126,981
Non-controlling interests	-	-	-	-
	<b>645,698</b>	<b>498,123</b>	<b>399,429</b>	<b>126,981</b>

## The Western Investment Company of Canada Limited

### Condensed Interim Consolidated Statement of Changes in Shareholder's Equity (unaudited)

	Notes	Number of shares	Share capital	Contributed surplus	Equity component of convertible debentures	Accumulated other comprehensive income	Deficit	Equity attributable to NCI	Total shareholders' equity
			\$	\$	\$	\$	\$	\$	\$
<b>Balance – December 31, 2023</b>		<b>30,207,756</b>	<b>15,646,943</b>	<b>2,041,586</b>	<b>623,176</b>	<b>22,978</b>	<b>(5,554,627)</b>	<b>-</b>	<b>12,780,056</b>
Net Income (loss) for the period		-	-	-	-	-	149,959	-	149,959
Other comprehensive income (loss)		-	-	-	-	(22,978)	-	-	(22,978)
<b>Total comprehensive loss</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(22,978)</b>	<b>149,959</b>	<b>-</b>	<b>126,981</b>
Maturity of debentures	11	-	-	222,268	(222,268)	-	-	-	-
<b>Balance – September 30, 2024</b>		<b>30,207,756</b>	<b>15,646,943</b>	<b>2,263,854</b>	<b>400,908</b>	<b>-</b>	<b>(5,404,668)</b>	<b>-</b>	<b>12,907,037</b>

	Notes	Number of shares	Share capital	Contributed surplus	Equity component of convertible debentures	Accumulated other comprehensive income	Deficit	Equity attributable to NCI	Total shareholders' equity
			\$	\$	\$	\$	\$	\$	\$
<b>Balance – December 31, 2024</b>		<b>148,269,043</b>	<b>46,171,043</b>	<b>19,059,726</b>	<b>400,908</b>	<b>(22,659)</b>	<b>(5,949,811)</b>	<b>1,084,715</b>	<b>60,743,922</b>
Net Income (loss) for the period		-	-	-	-	-	370,478	-	370,478
Other comprehensive income (loss)		-	-	-	-	28,951	-	-	28,951
<b>Total comprehensive loss</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,951</b>	<b>370,478</b>	<b>-</b>	<b>399,429</b>
Share-based compensation expense	14,15	-	-	31,114	-	-	-	193,956	225,070
Redemption of share-based compensation		-	-	-	-	-	-	(4,074)	(4,074)
Debenture conversion (note 8)		10,582,007	5,161,364	-	(400,908)	-	-	-	4,760,456
<b>Balance – September 30, 2025</b>		<b>158,851,050</b>	<b>51,332,407</b>	<b>19,090,840</b>	<b>-</b>	<b>6,292</b>	<b>(5,579,333)</b>	<b>1,274,597</b>	<b>66,124,803</b>

**The Western Investment Company of Canada Limited**  
Condensed Interim Consolidated Statements of Cash Flows  
(unaudited)

		For the nine months ended September 30, 2025	For the nine months ended September 30, 2024
	Notes	\$	\$
<b>Cash provided by (used in):</b>			
<b>Operating activities</b>			
Net Income (loss) for the period		370,478	149,959
Adjustments for non-cash items:			
Income from equity investments	7	(1,369,315)	(1,178,644)
Gain on disposal in investment in associate		-	(22,978)
Interest on convertible debentures	11	134,464	582,983
Share based compensation	14,15	225,070	-
Realized gain (loss) on marketable securities		(183,964)	-
Amortization and depreciation		221,907	4,125
Deferred tax recovery		(15,475)	-
Interest accreted on lease liabilities		6,884	-
Interest paid on convertible debentures	11	(209,096)	(441,310)
Net change in non-cash balances related to operations	19	3,837,276	(470,759)
<b>Cash used in operating activities</b>		<b>3,018,229</b>	<b>(1,376,624)</b>
<b>Investing activities</b>			
Repayments from related parties	21	283,412	-
Advances to related parties	20	(336,700)	(92,356)
Return of capital from associates	7	479,700	-
Dividends from associates	7	45,000	-
Purchase of intangible assets & property, plant & equipment		(42,666)	-
Purchases of investments	4	(1,939,213)	-
Proceeds from sale and maturities of investments	4	8,089,967	-
<b>Cash provided by investing activities</b>		<b>6,579,500</b>	<b>(92,356)</b>
<b>Financing activities</b>			
Repayment of convertible debentures	11	-	(1,125,000)
Advances (repayment) on operating loan	10	-	1,981,430
Lease liabilities payments		(60,991)	-
<b>Cash used in financing activities</b>		<b>(60,991)</b>	<b>856,430</b>
Net increase (decrease) in cash and cash equivalents during the year		9,536,738	(612,550)
Non-controlling interest		-	-
Cash and cash equivalents, beginning of period		43,245,301	618,673
<b>Cash and cash equivalents, end of period</b>		<b>52,782,039</b>	<b>6,123</b>
<b>Supplemental cash flow information</b>			
Restricted cash		5,085,125	-
Dividends received		90,000	90,000

# The Western Investment Company of Canada Limited

## Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

### 1 Incorporation

The Western Investment Company of Canada Limited ("Western" or the "Corporation") was incorporated pursuant to the provisions of the Business Corporations Act (Alberta) on October 28, 2015. The Corporation's common shares began trading on December 20, 2016, and are listed on the TSX Venture Exchange under the stock symbol "WI".

### 2 Nature of operations

The head office and principal address of the Corporation is Suite # 1700 - 95 St Clair Avenue West, Toronto, Ontario, M4V. The unaudited condensed interim consolidated financial statements ("the interim consolidated financial statements") of the Corporation for the nine months ended September 30, 2025, were approved and authorized for issuance by the Corporation's Board of Directors on November 25, 2025.

These interim consolidated financial statements include the accounts of the Corporation and its wholly owned subsidiary, Fortress Insurance ("Fortress"). The principal business of Fortress involves property insurance, but the company also offers insurance in niche products, including accident & sickness, automobile, boiler & machinery, fidelity, legal expense, liability, marine and surety. Fortress is incorporated under the Alberta Insurance Act and has regulatory licences and operates across Canada in all provinces and territories except for Quebec.

The Corporation has a non-controlling interest investment in a number of companies that are accounted for under the equity method. See note 6 of our annual financial statements for additional information on these associates.

### 3 Basis of preparation

#### Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

The Corporation presents its consolidated balance sheets broadly in order of liquidity.

#### Basis of measurement

These consolidated financial statements are presented in Canadian dollars, which is the Corporation's functional currency, and were prepared on a going concern basis under the historical cost convention.

The preparation of consolidated financial statements necessitates the use of judgments, estimates and assumptions that will affect assets, liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as income and expenses during the reporting periods.

#### Basis of consolidation

The consolidated financial statements comprise the financial statements of the Corporation and its subsidiaries as at December 31, 2025. Control is achieved when the Corporation is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Corporation controls an investee if and only if, the Corporation has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption, when the Corporation has less than a majority of the voting or similar rights of an investee, the Corporation considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangements with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Corporations' voting rights and potential voting rights

# The Western Investment Company of Canada Limited

## Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

The Corporation re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Corporation obtains control over the subsidiary and ceases when the Corporation loses control. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Corporation gains control until the date the Corporation ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Corporation and to the non-controlling interests, even if the results in the non-controlling interest have a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Corporation's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

A change in ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

If the Corporation loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while a resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

### **Role of the Appointed Actuary**

The Appointed Actuary is appointed by the relevant Board of Directors pursuant to relevant legal and statutory requirements. The Appointed Actuary is responsible for ensuring that the assumptions and methods used in the valuation of the Corporation's insurance contract liabilities are in accordance with IFRS 17, applicable legislation and associated regulations or directives.

### **Material accounting policy information**

The accounting policies applied in these condensed interim financial statements are the same as those applied in note 4 to the Corporation's audited consolidated financial statements for the year ended December 31, 2024.

### **Standards issued but not yet effective**

There have been no significant changes during 2025 as compared to the information provided in the annual consolidated financial statements for the year ended December 31, 2024.

### **Use of judgments and estimates**

The preparation of financial statements necessitates the use of judgments, estimates and assumptions, as outlined in note 5 of the audited consolidated financial statements for the year ended December 31, 2024. These judgments, estimates and assumptions may affect the reported amounts of assets, liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as income and expenses during the reporting periods.

# The Western Investment Company of Canada Limited

## Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

### 4 Financial instruments

The Corporation, as part of its operations, carries financial instruments consisting of cash, accounts receivable, investments, due from related parties, operating loan, accounts payable and accrued liabilities, loan from related party and convertible debentures.

#### Financial assets

Carrying amount by classification	As at	As at
	September 30 2025	December 31 2024
	\$	\$
Measured at Fair Value Through Profit and Loss (FVPL)	1,282,129	6,891,548
Measured at Fair Value through Other Comprehensive Income (FVOCI)	5,898,371	5,739,256
Carried at amortized cost	57,953,350	48,563,725
	<u>65,133,850</u>	<u>61,194,529</u>

Carrying amount by asset type	As at	As at
	September 30 2025	December 31 2024
	\$	\$
Debt securities (measured at FVOCI)		
Provincial and Government of Canada bonds	3,978,299	3,684,885
Corporate bonds	1,920,072	2,054,371
	<u>5,898,371</u>	<u>5,739,256</u>
Equities (measured at FVPL)		
Common shares	-	1,763,851
Preferred shares	-	872,071
	<u>-</u>	<u>2,635,922</u>
Short-term investments (measured at FVPL)		
Listed	25,000	3,486,032
Loan with related party (measured at FVPL)	1,257,129	769,594
Other (measured at amortized cost)		
Loans and amounts due from related parties	4,714,809	5,192,304
Cash and cash equivalents	52,782,039	43,245,301
Accounts receivable	119,065	50,263
Income taxes receivable	337,437	-
Accrued interest receivable	-	75,857
Total financial assets	<u>65,133,850</u>	<u>61,194,529</u>
Within one year	59,497,883	50,993,328
More than one year	5,635,967	10,201,201

Debt securities bear interest at rates ranging from 1.25% to 6.03% (2024 – 0.00% to 6.03%) and mature or will be called between December 2026 and June 2035 (2024 – December 2025 and December 2034).

# The Western Investment Company of Canada Limited

## Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

	FVPL	FVOCI	Total
	\$	\$	\$
<b>Movements in carrying amount of investments</b>			
At January 1, 2025	6,121,954	5,739,256	11,861,210
Additions in securities and cash	728,293	1,210,919	1,939,212
Maturities and redemptions	(3,461,032)	-	(3,461,032)
Disposals	(3,482,036)	(1,146,899)	(4,628,935)
Net gain	117,821	95,095	212,916
At September 30, 2025	25,000	5,898,371	5,923,371
	FVPL	FVOCI	Total
	\$	\$	\$
At October 1, 2024	6,870,156	5,765,435	12,635,591
Additions in securities and cash	285,052	148,399	433,451
Maturities and redemptions	(852,445)	-	(852,445)
Disposals	(273,421)	(156,493)	(429,914)
Net gain	92,612	(18,085)	74,527
At December 31, 2024	6,121,954	5,739,256	11,861,210

### Fair value

Fair value represents the price at which a financial instrument could be exchanged in an orderly market, in an arm's length transaction between knowledgeable and willing parties who are under no compulsion to act. The Corporation classifies the fair value of the financial instruments according to the following hierarchy based on the amount of observable inputs used to value the instrument.

- Level 1 – Fair value measurements are those derived from quoted prices (unadjusted) in an active market for identical assets or liabilities.
- Level 2 – Fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (derived from prices).
- Level 3 – Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

	2025				2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Debt securities</b>								
Government bonds	-	3,978,299	-	3,978,299	-	3,684,885	-	3,684,885
Corporate bonds	-	1,920,072	-	1,920,072	-	2,054,371	-	2,054,371
<b>Equity securities</b>								
Common shares	-	-	-	-	1,763,851	-	-	1,763,851
Preferred shares	-	-	-	-	872,071	-	-	872,071
<b>Short term investments</b>	25,000	-	-	25,000	3,486,032	-	-	3,486,032
<b>Loan to related parties</b>	-	-	1,257,129	1,257,129	-	-	769,594	769,594
	25,000	5,898,371	1,257,129	7,180,500	6,121,954	5,739,256	769,594	12,630,804

There were no transfers between Level 1 and Level 2 during the period ending September 30, 2025 (2024 \$nil). The loan to related parties is the Foothills shareholder loan measured at fair value through profit or loss (note 23). All other loans to related parties are measured at amortized cost and their carrying value approximates their fair value. Loans to related parties also include the GlassMasters promissory note which is included in investment in associates (note 9).

The convertible debentures are measured at amortized cost. The carrying value approximates the fair value due to the short time frame to maturity.

# The Western Investment Company of Canada Limited

## Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

### 5 Insurance and reinsurance results

The following tables show the changes in the net assets or liabilities for insurance contracts issued and reinsurance contracts held. The tables that illustrate changes by measurement component exclude insurance contracts measured using the PAA. The tables that illustrate changes by Remaining Coverage and Incurred Claims include insurance contracts measured using the PAA.

#### Insurance contracts issued by measurement component

The following table shows the changes in liabilities for insurance contracts issued by measurement component:

For the nine month period ending September 30, 2025	Expected present value of future cash flows	Risk adjustment	Contractual service margin	Total
<b>Beginning of period</b>				
Opening balance Insurance contract assets	-	-	-	-
Opening balance Insurance contract liabilities	17,781,711	1,665,713	4,774,589	24,222,013
<b>Net Opening Insurance contract balances</b>	<b>17,781,711</b>	<b>1,665,713</b>	<b>4,774,589</b>	<b>24,222,013</b>
<b>Changes in the statement of Profit or Loss and OCI</b>				
Contractual service margin recognized for service provided	-	-	(1,649,217)	(1,649,217)
Change in risk adjustment for non-financial risk expired	-	(497,504)	-	(497,504)
Experience adjustments	(4,662,628)	-	-	(4,662,628)
Revenue recognized for incurred policyholder tax expenses	-	-	-	-
<b>Current Service Provided in the period</b>	<b>(4,662,628)</b>	<b>(497,504)</b>	<b>(1,649,217)</b>	<b>(6,809,349)</b>
Contracts initially recognized in the period	(6,027,655)	1,437,155	4,590,500	-
Changes in estimates that adjust the CSM	(193,757)	(300,483)	494,239	(1)
Changes in estimates that result in losses and reversal of losses on onerous contracts	-	-	-	-
<b>Future Service yet to be Provided</b>	<b>(6,221,412)</b>	<b>1,136,672</b>	<b>5,084,739</b>	<b>(1)</b>
Adjustments to liabilities for incurred claims	-	-	-	-
Experience adjustments not related to incurred claims	-	-	-	-
<b>Past Service Provided in the Prior Periods</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Insurance service result</b>	<b>(10,884,040)</b>	<b>639,168</b>	<b>3,435,522</b>	<b>(6,809,350)</b>
<b>Net finance (income) expenses from insurance contracts</b>	<b>414,968</b>	<b>41,218</b>	<b>202,877</b>	<b>659,063</b>
<b>Effects of movements in exchange rates</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total changes in the statement of Profit or Loss and OCI</b>	<b>(10,469,072)</b>	<b>680,386</b>	<b>3,638,399</b>	<b>(6,150,287)</b>
<b>Cash flows</b>				
Premiums received for insurance contracts	30,012,242	-	-	30,012,242
Claims, benefits and other expenses paid	(4,292,334)	-	-	(4,292,334)
Insurance Acquisition cash flows	(11,785,968)	-	-	(11,785,968)
<b>Total Cash flows</b>	<b>13,933,940</b>	<b>-</b>	<b>-</b>	<b>13,933,940</b>
Other Changes in the Net Carrying Amount of the Insurance Contract Liabilities (Rounding)	-	-	-	-
<b>Net Ending Insurance Contract Balances</b>	<b>21,246,579</b>	<b>2,346,099</b>	<b>8,412,988</b>	<b>32,005,666</b>
<b>End of Period</b>				
Ending Balance Insurance Contract Assets	-	-	-	-
Ending Balance Insurance Contract Liabilities	21,246,579	2,346,099	8,412,988	32,005,666
<b>Ending Balance Insurance Contract Liabilities</b>	<b>21,246,579</b>	<b>2,346,099</b>	<b>8,412,988</b>	<b>32,005,666</b>

**The Western Investment Company of Canada Limited**  
Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

For the twelve month period ending December 31, 2024	Expected present value of future cash flows	Risk adjustment	Contractual service margin	Total
<b>Beginning of period</b>				
Opening balance Insurance contract assets	-	-	-	-
Opening balance Insurance contract liabilities	-	-	-	-
<b>Net Opening Insurance contract balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Changes in the statement of Profit or Loss and OCI</b>				
Contractual service margin recognized for service provided	-	-	(301,857)	(301,857)
Change in risk adjustment for non-financial risk expired	-	(179,841)	-	(179,841)
Experience adjustments	(1,619,804)	-	-	(1,619,804)
Revenue recognized for incurred policyholder tax expenses	-	-	-	-
<b>Current Service Provided in the period</b>	<b>(1,619,804)</b>	<b>(179,841)</b>	<b>(301,857)</b>	<b>(2,101,502)</b>
Contracts initially recognized in the period	8,092,422	2,226,604	3,574,808	13,893,834
Changes in estimates that adjust the CSM	(1,069,169)	(401,911)	1,471,080	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	-	-	-	-
<b>Future Service yet to be Provided</b>	<b>7,023,253</b>	<b>1,824,693</b>	<b>5,045,888</b>	<b>13,893,834</b>
Adjustments to liabilities for incurred claims	-	-	-	-
Experience adjustments not related to incurred claims	-	-	-	-
<b>Past Service Provided in the Prior Periods</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Insurance service result</b>	<b>5,403,449</b>	<b>1,644,852</b>	<b>4,744,031</b>	<b>11,792,332</b>
<b>Net finance (income) expenses from insurance contracts</b>	<b>345,870</b>	<b>20,861</b>	<b>30,558</b>	<b>397,289</b>
<b>Effects of movements in exchange rates</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total changes in the statement of Profit or Loss and OCI</b>	<b>5,749,319</b>	<b>1,665,713</b>	<b>4,774,589</b>	<b>12,189,621</b>
<b>Cash flows</b>				
Premiums received for insurance contracts	22,723,662	-	-	22,723,662
Claims, benefits and other expenses paid	(1,720,205)	-	-	(1,720,205)
Insurance Acquisition cash flows	(8,971,065)	-	-	(8,971,065)
<b>Total Cash flows</b>	<b>12,032,392</b>	<b>-</b>	<b>-</b>	<b>12,032,392</b>
Other Changes in the Net Carrying Amount of the Insurance Contract Liabilities (Rounding)	-	-	-	-
<b>Net Ending Insurance Contract Balances</b>	<b>17,781,711</b>	<b>1,665,713</b>	<b>4,774,589</b>	<b>24,222,013</b>
<b>End of Period</b>				
Ending Balance Insurance Contract Assets	-	-	-	-
Ending Balance Insurance Contract Liabilities	17,781,711	1,665,713	4,774,589	24,222,013
<b>Ending Balance Insurance Contract Liabilities</b>	<b>17,781,711</b>	<b>1,665,713</b>	<b>4,774,589</b>	<b>24,222,013</b>

# The Western Investment Company of Canada Limited

## Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

### Insurance contracts issued by remaining coverage and incurred claims

The following table shows the changes in liabilities for remaining coverage and incurred claims for insurance contracts issued:

For the nine month period ending September 30, 2025	Liability for remaining coverage (PAA and GMM)		Liability for incurred claims			
	Excluding loss component	Loss component	Contracts under GMM	Estimates of PV of future cash flows	Risk adjustment for non-financial risk (PAA)	Total
<b>Insurance contracts issued</b>						
Opening Insurance contract liabilities	27,910,356	-	-	4,429,490	195,754	32,535,600
Opening Insurance contract assets	-	-	-	-	-	-
<b>Net balance as at January 1</b>	<b>27,910,356</b>	-	-	<b>4,429,490</b>	<b>195,754</b>	<b>32,535,600</b>
<b>Insurance revenue</b>	<b>(26,745,629)</b>	-	-	-	-	<b>(26,745,629)</b>
Insured claims and other insurance service expenses	-	-	4,726,997	12,241,836	572,315	17,541,148
Amortization of insurance acquisition cash flows	5,190,768	-	-	-	-	5,190,768
Adjustments to liabilities for incurred claims	-	-	-	(858,933)	(50,298)	(909,231)
Losses and reversal of losses on onerous contracts	-	-	-	-	-	-
<b>Insurance service expenses</b>	<b>5,190,768</b>	-	<b>4,726,997</b>	<b>11,382,903</b>	<b>522,017</b>	<b>21,822,685</b>
<b>Insurance service result</b>	<b>(21,554,861)</b>	-	<b>4,726,997</b>	<b>11,382,903</b>	<b>522,017</b>	<b>(4,922,944)</b>
Finance (income) expense from insurance contracts issued	659,063	-	-	139,047	-	798,110
<b>Total amounts recognized in income (loss)</b>	<b>(20,895,798)</b>	-	<b>4,726,997</b>	<b>11,521,950</b>	<b>522,017</b>	<b>(4,124,834)</b>
<b>Cash flows</b>						
Premiums received	47,162,820	-	-	-	-	47,162,820
Claims and other directly attributable expenses	-	-	(8,346,040)	(3,872,016)	-	(12,218,056)
Insurance acquisition cash flows	(15,476,207)	-	-	-	-	(15,476,207)
<b>Total cash flows</b>	<b>31,686,613</b>	-	<b>(8,346,040)</b>	<b>(3,872,016)</b>	-	<b>19,468,557</b>
Items excluded from insurance revenue and insurance service expense	(3,687,243)	-	3,687,243	-	-	-
<b>Total items excluded from insurance revenue and insurance service expense</b>	<b>(3,687,243)</b>	-	<b>3,687,243</b>	-	-	-
Closing insurance contract liabilities	35,013,928	-	68,200	12,079,424	717,771	47,879,323
Closing insurance contract assets	-	-	-	-	-	-
<b>Net balance as at September 30</b>	<b>35,013,928</b>	-	<b>68,200</b>	<b>12,079,424</b>	<b>717,771</b>	<b>47,879,323</b>

As at September 30, 2025, \$6,999,045 of the LRC relates to acquired claims (December 31, 2024 \$12,017,695)

**The Western Investment Company of Canada Limited**  
Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

For the Twelve month period ending December 31, 2024	Liability for remaining coverage (PAA and GMM)		Liability for incurred claims			
Insurance contracts issued	Excluding loss component	Loss component	Contracts under GMM	Estimates of PV of future cash flows	Risk adjustment for non-financial risk (PAA)	Total
Opening Insurance contract liabilities						
Opening Insurance contract assets	-	-	-	-	-	-
Net balance as at January 1	-	-	-	-	-	-
<b>Insurance revenue</b>	<b>(8,142,078)</b>	-	-	-	-	<b>(8,142,078)</b>
Insured claims and other insurance service expenses	-	-	1,794,898	55,070	-	1,849,968
Amortization of insurance acquisition cash flows	1,481,964	-	-	-	-	1,481,964
Adjustments to liabilities for incurred claims	-	-	-	3,954,798	195,754	4,150,552
Losses and reversal of losses on onerous contracts	-	-	-	-	-	-
<b>Insurance service expenses</b>	<b>1,481,964</b>	-	<b>1,794,898</b>	<b>4,009,868</b>	<b>195,754</b>	<b>7,482,484</b>
<b>Insurance service result</b>	<b>(6,660,114)</b>	-	<b>1,794,898</b>	<b>4,009,868</b>	<b>195,754</b>	<b>(659,594)</b>
Finance (income) expense from insurance contracts issued	397,290	-	-	(889,687)	-	<b>(492,397)</b>
<b>Total amounts recognized in income (loss)</b>	<b>(6,262,824)</b>	-	<b>1,794,898</b>	<b>3,120,181</b>	<b>195,754</b>	<b>(1,151,991)</b>
<b>Cash flows</b>						
Premiums received	48,224,541	-	-	-	-	48,224,541
Claims and other directly attributable expenses	-	-	(3,289,664)	1,309,309	-	(1,980,355)
Insurance acquisition cash flows	(12,556,595)	-	-	-	-	(12,556,595)
<b>Total cash flows</b>	<b>35,667,946</b>	-	<b>(3,289,664)</b>	<b>1,309,309</b>	-	<b>33,687,591</b>
Items excluded from insurance revenue and insurance service expense	(1,494,766)	-	1,494,766	-	-	-
<b>Total items excluded from insurance revenue and insurance service expense</b>	<b>(1,494,766)</b>	-	<b>1,494,766</b>	-	-	-
Closing insurance contract liabilities	27,910,356	-	-	4,429,490	195,754	<b>32,535,600</b>
Closing insurance contract assets	-	-	-	-	-	-
<b>Net balance as at December 31</b>	<b>27,910,356</b>	-	-	<b>4,429,490</b>	<b>195,754</b>	<b>32,535,600</b>

# The Western Investment Company of Canada Limited

## Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

### Reinsurance contracts held by measurement component

The following table shows the changes in assets for reinsurance contracts held by measurement component:

For the nine month period ending September 30, 2025	Expected present value of future cash flows		Contractual service margin	Total
		Risk adjustment		
<b>Beginning of period</b>				
Opening balance Reinsurance contract held assets	9,744,453	1,381,921	3,377,840	14,504,214
Opening balance Reinsurance contract held liabilities	-	-	-	-
<b>Net Opening reinsurance contract held balances</b>	<b>9,744,453</b>	<b>1,381,921</b>	<b>3,377,840</b>	<b>14,504,214</b>
<b>Changes in the statement of Profit or Loss and OCI</b>				
Contractual service margin recognized for service received	-	-	(1,285,164)	(1,285,164)
Change in risk adjustment for non-financial risk expired	-	(381,848)	-	(381,848)
Experience adjustments	(3,896,911)	-	-	(3,896,911)
Incurred policyholder tax expenses on underlying contracts	-	-	-	-
<b>Current Service Provided in the period</b>	<b>(3,896,911)</b>	<b>(381,848)</b>	<b>(1,285,164)</b>	<b>(5,563,923)</b>
Contracts initially recognized in the period	(4,075,477)	1,233,869	2,841,608	-
Changes in estimates that adjust the CSM	(603,997)	(254,432)	858,429	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	-	-	-	-
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	-	-
<b>Future Service yet to be Provided</b>	<b>(4,679,474)</b>	<b>979,437</b>	<b>3,700,037</b>	<b>-</b>
Adjustments to assets for incurred claims	-	-	-	-
Experience adjustments not related to incurred claims	(19,800)	-	-	(19,800)
<b>Past Service Provided in the Prior Periods</b>	<b>(19,800)</b>	<b>-</b>	<b>-</b>	<b>(19,800)</b>
<b>Net expense from reinsurance contracts held</b>	<b>(8,596,185)</b>	<b>597,589</b>	<b>2,414,873</b>	<b>(5,583,723)</b>
<b>Net finance (income) expense from reinsurance contracts held</b>	<b>310,343</b>	<b>47,671</b>	<b>138,926</b>	<b>496,940</b>
<b>Effects of movements in exchange rates</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total changes in the statement of Profit or Loss and OCI</b>	<b>(8,285,842)</b>	<b>645,260</b>	<b>2,553,799</b>	<b>(5,086,783)</b>
<b>Cash flows</b>				
Premiums paid	15,193,421	-	-	15,193,421
Amounts received	(3,711,266)	-	-	(3,711,266)
Reinsurance Acquisition cash flows	-	-	-	-
<b>Total Cash flows</b>	<b>11,482,155</b>	<b>-</b>	<b>-</b>	<b>11,482,155</b>
Other Changes in the Net Carrying Amount of the Insurance Contract Liabilities (Rounding)	-	-	-	-
<b>Net ending reinsurance contract held balances</b>	<b>12,940,766</b>	<b>2,027,181</b>	<b>5,931,639</b>	<b>20,899,586</b>
<b>End of Period</b>				
Ending Balance Reinsurance Contract held Assets	12,940,766	2,027,181	5,931,639	20,899,586
Ending Balance Reinsurance Contract held Liabilities	-	-	-	-
<b>Ending Balance Reinsurance Contract held Liabilities</b>	<b>12,940,766</b>	<b>2,027,181</b>	<b>5,931,639</b>	<b>20,899,586</b>

# The Western Investment Company of Canada Limited

## Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

### Reinsurance contracts held by measurement component

The following table shows the changes in assets for reinsurance contracts held by measurement component:

For the Twelve month period ending December 31, 2024	Expected present value of future cash flows	Risk adjustment	Contractual service margin	Total
<b>Beginning of period</b>				
Opening reinsurance contract held assets	-	-	-	-
Opening reinsurance contract held liabilities	-	-	-	-
<b>Net Opening reinsurance contract held balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Changes in the statement of Profit or Loss and OCI</b>				
Contractual service margin recognized for service received	-	-	(229,636)	(229,636)
Change in risk adjustment for non-financial risk expired	-	(117,080)	-	(117,080)
Experience adjustments	(1,449,942)	-	-	(1,449,942)
Incurring policyholder tax expenses on underlying contracts	-	-	-	-
<b>Current Service Provided in the period</b>	<b>(1,449,942)</b>	<b>(117,080)</b>	<b>(229,636)</b>	<b>(1,796,658)</b>
Contracts initially recognized in the period	7,739,627	1,666,752	2,187,864	11,594,243
Changes in estimates that adjust the CSM	(1,202,343)	(197,529)	1,399,872	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	-	-	-	-
Changes in recoveries of losses on onerous underlying contracts that adjust the CSM	-	-	-	-
<b>Future Service yet to be Provided</b>	<b>6,537,284</b>	<b>1,469,223</b>	<b>3,587,736</b>	<b>11,594,243</b>
Adjustments to assets for incurred claims	-	-	-	-
Experience adjustments not related to incurred claims	-	-	-	-
<b>Past Service Provided in the Prior Periods</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net expense from reinsurance contracts held</b>	<b>5,087,342</b>	<b>1,352,143</b>	<b>3,358,100</b>	<b>9,797,585</b>
<b>Net finance (income) expense from reinsurance contracts held</b>	<b>260,316</b>	<b>29,778</b>	<b>19,740</b>	<b>309,834</b>
<b>Effects of movements in exchange rates</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total changes in the statement of Profit or Loss and OCI</b>	<b>5,347,658</b>	<b>1,381,921</b>	<b>3,377,840</b>	<b>10,107,419</b>
<b>Cash flows</b>				
Premiums paid	5,838,909	-	-	5,838,909
Amounts received	(1,442,114)	-	-	(1,442,114)
Reinsurance Acquisition cash flows	-	-	-	-
<b>Total Cash flows</b>	<b>4,396,795</b>	<b>-</b>	<b>-</b>	<b>4,396,795</b>
Other Changes in the Net Carrying Amount of the Insurance Contract Liabilities (Rounding)	-	-	-	-
<b>Net ending reinsurance contract held balances</b>	<b>9,744,453</b>	<b>1,381,921</b>	<b>3,377,840</b>	<b>14,504,214</b>
<b>End of Period</b>				
Ending Balance Reinsurance Contract held Assets	9,744,453	1,381,921	3,377,840	14,504,214
Ending Balance Reinsurance Contract held Liabilities	-	-	-	-
<b>Ending Balance Reinsurance Contract held Liabilities</b>	<b>9,744,453</b>	<b>1,381,921</b>	<b>3,377,840</b>	<b>14,504,214</b>

# The Western Investment Company of Canada Limited

## Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

### Reinsurance contracts held by remaining coverage and incurred claims

The following table shows the changes in assets for remaining coverage and incurred claims for reinsurance contracts held:

For the nine month period ending September 30, 2025	Assets for remaining coverage (PAA and GMM)			Assets for incurred claims		
	Excluding loss recovery component	Loss recovery component	Contracts under GMM	Estimates of PV of future cash flows (PAA)	Risk adjustment for non-financial risk (PAA)	Total
<b>Insurance contracts issued</b>						
Opening reinsurance contract held assets	17,931,835	-	-	2,880,653	141,191	20,953,679
Opening reinsurance contract held liabilities	-	-	-	-	-	-
<b>Net balance as at January 1</b>	<b>17,931,835</b>	-	-	<b>2,880,653</b>	<b>141,191</b>	<b>20,953,679</b>
Allocation of reinsurance premiums	(16,997,128)	-	-	-	-	(16,997,128)
Claims recovered	-	-	3,782,267	9,389,948	432,558	13,604,773
Other directly incurred attributable expenses	-	-	-	-	-	-
Adjustments to assets for incurred claims	-	-	-	(385,043)	(191,397)	(576,440)
<b>Net Income (expense) from reinsurance contracts held</b>	<b>(16,997,128)</b>	-	<b>3,782,267</b>	<b>9,004,905</b>	<b>241,161</b>	<b>(3,968,795)</b>
Finance (income) expense from reinsurance contracts held	496,941	-	-	120,581	-	617,522
<b>Total amounts recognized in income (loss)</b>	<b>(16,500,187)</b>	-	<b>3,782,267</b>	<b>9,125,486</b>	<b>241,161</b>	<b>(3,351,273)</b>
<b>Cash flows</b>						
Premiums paid net of ceding commissions and other directly attributable expenses	30,165,800	-	-	-	-	<b>30,165,800</b>
Recoveries from reinsurance	-	-	(6,989,746)	(2,542,307)	-	<b>(9,532,053)</b>
<b>Total cash flows</b>	<b>30,165,800</b>	-	<b>(6,989,746)</b>	<b>(2,542,307)</b>	-	<b>20,633,747</b>
Items excluded from reinsurance contracts held net income (expense)	(3,325,087)	-	3,325,087	-	-	-
<b>Total items excluded from reinsurance contract held net income (expense)</b>	<b>(3,325,087)</b>	-	<b>3,325,087</b>	-	-	-
Closing reinsurance contract held assets	<b>28,272,361</b>	-	<b>117,608</b>	<b>9,463,832</b>	<b>382,352</b>	<b>38,236,153</b>
Closing reinsurance contract held liabilities	-	-	-	-	-	-
<b>Net balance as at September 30</b>	<b>28,272,361</b>	-	<b>117,608</b>	<b>9,463,832</b>	<b>382,352</b>	<b>38,236,153</b>

As at September, 2025, \$5,908,167 of the ARC relates to acquired claims (December 31, 2024 \$10,054,502)

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Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

For the twelve month period ending December 31, 2024	Assets for remaining coverage (PAA and GMM)			Assets for incurred claims		
	Excluding loss recovery component	Loss recovery component	Contracts under GMM	Estimates of PV of future cash flows (PAA)	Risk adjustment for non-financial risk (PAA)	Total
<b>Insurance contracts issued</b>						
Opening reinsurance contract held assets	-	-	-	-	-	-
Opening reinsurance contract held liabilities	-	-	-	-	-	-
<b>Net balance as at January 1</b>	-	-	-	-	-	-
Allocation of reinsurance premiums	(6,721,113)	-	-	-	-	(6,721,113)
Claims recovered	-	-	1,189,405	298,058	-	1,487,463
Other directly incurred attributable expenses	-	-	-	-	-	-
Adjustments to assets for incurred claims	-	-	-	4,514,179	141,191	4,655,370
<b>Net Income (expense) from reinsurance contracts held</b>	<b>(6,721,113)</b>	-	<b>1,189,405</b>	<b>4,812,237</b>	<b>141,191</b>	<b>(578,280)</b>
Finance (income) expense from reinsurance contracts held	309,834	-	-	80,430	-	390,264
<b>Total amounts recognized in income (loss)</b>	<b>(6,411,279)</b>	-	<b>1,189,405</b>	<b>4,892,667</b>	<b>141,191</b>	<b>(188,016)</b>
<b>Cash flows</b>						
Premiums paid net of ceding commissions and other directly attributable expenses	25,710,722	-	-	-	-	25,710,722
Recoveries from reinsurance	-	-	(2,557,013)	(2,012,014)	-	(4,569,027)
<b>Total cash flows</b>	<b>25,710,722</b>	-	<b>(2,557,013)</b>	<b>(2,012,014)</b>	-	<b>21,141,695</b>
Items excluded from reinsurance contracts held net income (expense)	(1,367,608)	-	1,367,608	-	-	-
<b>Total items excluded from reinsurance contract held net income (expense)</b>	<b>(1,367,608)</b>	-	<b>1,367,608</b>	-	-	-
Closing reinsurance contract held assets	17,931,835	-	-	2,880,653	141,191	20,953,679
Closing reinsurance contract held liabilities	-	-	-	-	-	-
<b>Net balance as at December 31</b>	<b>17,931,835</b>	-	-	<b>2,880,653</b>	<b>141,191</b>	<b>20,953,679</b>

# The Western Investment Company of Canada Limited

## Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

### Analysis of insurance revenue

	2025	2024
	\$	\$
<b>For the nine month period ended September 30</b>		
For Contracts Not Measured Using the PAA:		
Amounts Relating to Changes in Liabilities for Remaining Coverage		
Expected Claims and Other Expenses	5,329,720	-
Release of Risk Adjustment	503,704	-
CSM Recognized for Services Provided	1,649,217	-
Premium Experience Adjustments	-	-
Amortization of Insurance Acquisition Cash Flows	1,262,166	-
Total Insurance Revenue for Contracts Not Measured Using the PAA	8,744,807	-
For Contracts Measured Using the PAA:		
Insurance Revenue	18,000,822	-
Total Insurance Revenue	26,745,629	-

### Analysis of insurance service expenses

	2025	2024
	\$	\$
<b>For the nine month period ended September 30</b>		
Incurring Claims	12,111,780	-
Directly Attributable Operating Expenses and Commissions	307,810	-
Total Incurred Claims and Other Expenses	12,419,590	-
Amortization of Insurance Acquisition Cash Flows	1,262,166	-
Insurance Acquisition Cash Flows Expensed as Incurred	3,928,602	-
Changes Related to Future Service (Losses on Onerous Groups and Reversals of Such Losses)	-	-
Changes Related to Past Service (Changes in FCF related to Liability for Incurred Claims)	4,212,328	-
<b>Total Insurance Service Expenses</b>	21,822,686	-

### Contracts initially recognized in the period - insurance contracts issued

The table below illustrates the effect on the Statement of Financial Position of insurance contracts initially recognized during the period, excluding contracts measured using the PAA:

	2025	2024
	\$	\$
<b>For the period ended September 30</b>		
<b>Insurance contracts issued</b>		
Contracts Initially Recognized in the Period:		
Amounts Related to All Contracts Initially Recognized:		
Estimates of Present Value of Future Cash Inflows	(29,746,934)	-
Estimates of Present Value of Future Cash Outflows	23,719,279	-
Insurance Acquisition Cash Flows	11,741,583	-
Other Cash Outflows	11,977,696	-
Risk Adjustment	1,437,155	-
CSM	4,590,500	-
Total Contracts Initially Recognized in the Period:	-	-
Amounts Related to Onerous Contracts Included in Total Contracts Above:		
Estimates of Present Value of Future Cash Inflows	-	-
Estimates of Present Value of Future Cash Outflows	-	-
Insurance Acquisition Cash Flows	-	-
Other Cash Outflows	-	-
Risk Adjustment	-	-
<b>Total Onerous Contracts</b>	-	-

# The Western Investment Company of Canada Limited

## Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

### Contracts initially recognized in the period – reinsurance contracts held

The table below illustrates the effect on the Statement of Financial Position of insurance contracts initially recognized during the period, excluding contracts measured using the PAA:

For the period ended September 30	2025	2024
Reinsurance contracts held	\$	\$
Contracts Initially Recognized in the Period:		
Amounts Related to All Contracts Initially Recognized:		
Estimates of Present Value of Future Cash Inflows	(10,333,724)	-
Estimates of Present Value of Future Cash Outflows	14,409,201	-
Premiums and other expenses	14,409,201	-
Insurance Acquisition Cash Flows	-	-
Risk Adjustment	(1,233,869)	-
CSM	(2,841,608)	-
<b>Total Contracts Initially Recognized in the Period</b>	<b>-</b>	<b>-</b>
Amounts Related to Onerous Contracts Included in Total Contracts Above:	-	-
Estimates of Present Value of Future Cash Inflows	-	-
Estimates of Present Value of Future Cash Outflows	-	-
Insurance Acquisition Cash Flows	-	-
Other Cash Outflows	-	-
Risk Adjustment	-	-
<b>Total reinsurance contracts held with a loss recovery component</b>	<b>-</b>	<b>-</b>
<b>Loss recoveries at initial recognition of onerous underlying contracts</b>	<b>-</b>	<b>-</b>

### CSM recognition timing

The following tables set out the expected recognition of the CSM for insurance contracts issued and reinsurance contracts held:

For the period ended September 30	2025	2024
Insurance contracts issued	\$	\$
Within 1 Year	1,579,375	-
1 - 3 Years	3,448,360	-
3 - 5 Years	2,933,703	-
5 - 10 Years	451,550	-
Over 10 Years	-	-
<b>Total</b>	<b>8,412,988</b>	<b>-</b>

For the period ended September 30	2025	2024
Reinsurance contracts held	\$	\$
Within 1 Year	1,167,740	-
1 - 3 Years	2,420,139	-
3 - 5 Years	2,003,818	-
5 - 10 Years	339,942	-
Over 10 Years	-	-
<b>Total</b>	<b>5,931,639</b>	<b>-</b>

**The Western Investment Company of Canada Limited**  
Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

**6 Intangible assets**

2025	Licenses \$	Broker relationships \$	Data management system \$	Total \$
<b>Cost January 1</b>	1,110,000	650,000	199,700	1,959,700
Additions in the year	10,728	-	26,783	37,511
Disposals and adjustments	-	-	(30,715)	(30,715)
At September 30	1,120,728	650,000	195,768	1,966,496
<b>Accumulated amortization January 1</b>	-	(23,214)	(35,978)	(59,192)
Amortization in the year	-	(46,428)	(115,997)	(162,425)
Disposals and adjustments	-	-	7,499	7,499
At September 30	-	(69,642)	(144,476)	(214,118)
<b>Net carrying amount September 30</b>	1,120,728	580,358	51,292	1,752,378

2024	Licenses \$	Broker relationships \$	Data management system \$	Total \$
<b>Cost - Business combination October 1</b>	1,110,000	650,000	175,610	1,935,610
Additions in the year	-	-	24,090	24,090
At December 31	1,110,000	650,000	199,700	1,959,700
<b>Accumulated amortization October 1</b>	-	-	-	-
Amortization in the year	-	(23,214)	(35,978)	(59,192)
At December 31	-	(23,214)	(35,978)	(59,192)
<b>Net carrying amount December 31</b>	1,110,000	626,786	163,722	1,900,508

The Data Management System has a useful life of 2 years, and the broker relationships have a useful life of 7 years. Amounts incurred related to the acquisitions of insurance licenses are considered to have an indefinite life.

**7 Investment in associates**

The investments in associates balance consists of the following:

	September 30, 2025 \$	December 31, 2024 \$
Western's interest in Foothills Creamery Ltd	2,544,803	2,573,167
Western's interest in Golden Health Care	4,460,945	4,820,146
Western's interest in GlassMasters ARG Autoglass Two Inc	9,959,873	8,832,693
	<u>16,965,621</u>	<u>16,226,006</u>

# The Western Investment Company of Canada Limited

## Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

### (a) Nature of investments in associates

#### Foothills Creamery Ltd (Foothills)

The Corporation holds a 49% interest in Foothills, which was acquired in 2018. Western appoints two of seven directors of the Board of Directors and, as such, has the ability to exercise significant influence but not control over Foothills and, accordingly, the Corporation is using the equity method to account for this investment.

On April 22, 2025, Western exercised its fourth option to extend the maturity of the Foothills shareholder loan to October 27, 2025, upon which time the loan was not repaid and was extended until the end of 2025.

Due to a breach of its covenants with its lender in the prior year, Foothills made an agreement with the lender for shareholders to provide equity cure payments to be in compliance with its covenants. In line with this agreement, Western contributed \$250,000 in December 2024 and \$336,700 in June 2025. These payments were added to the shareholder loan balance due from Foothills. The company signed an extension agreement for their bank facilities on August 1, 2025, obtaining a 0.4% reduction in interest rate. As at September 30, 2025, Foothills complied with the Senior Funded Debt covenant and will breach the Fixed Charge Coverage covenant. The lender is aware of the breach and will prepare a letter of tolerance.

Western has entered into a put/call agreement in regards to its partner's 38% interest in Foothills, in which Western's partner has the option to require Western to purchase their 38% interest, or Western has the option to require their partner to sell to Western. The Corporation has deemed the fair value of this agreement to be nil as at December 31, 2024, and 2023. The agreement is in place until April 30, 2026.

#### Golden Health Care group of companies (Golden)

The Corporation acquired a minority interest in Golden in 2017. Western appoints two of nine directors of the Board of Directors of Golden Health Care Management Inc., the company that oversees the operating companies. Through its share ownership and its appointments to the Board of Directors, the Corporation can exercise significant influence over the investment in Golden and, accordingly, the Corporation is using the equity method to account for this investment.

The financial statement reporting date for Golden is August 31; however, the Corporation records equity income aligned with its own reporting periods.

On June 24, 2025, Golden declared a return of capital, of which Western's share amounted to \$479,700. This amount was applied as a reduction to the carrying value of the investment.

#### GlassMasters ARG Autoglass Two Inc (GlassMasters)

The Corporation holds a 55% interest in GlassMasters, which was acquired in 2016. Western has two of six directors appointed to the GlassMasters' Board of Directors. Through the extent of its share ownership and its seats on the Board of Directors, the Corporation has the ability to exercise significant influence but not control over GlassMasters and, accordingly, the Corporation is using the equity method to account for this investment.

In 2022, the shareholders of GlassMasters passed a special resolution to distribute \$8 million in capital to shareholders by way of reducing the stated capital on the Class A common shares. The distribution has been treated as a return of paid-up capital for tax purposes and was paid by the issuance of a five-year-term promissory note. The return of capital and related promissory note related to Western's shareholdings was \$4,658,559. Terms on the note include a five-year term, with automatic renewal for a period of five years upon each maturity date, unless the directors of GlassMasters otherwise determine. The next automatic renewal date is March 31, 2027. The interest rate will be set by the Board of Directors of GlassMasters from time to time and was set at 14% for the fiscal year 2025 (2024 – 14%).

During the nine months ended September 30, 2025, \$489,148 of interest was earned and received related to this note (September 30, 2024 – \$489,148). This promissory note is considered part of Western's net investment in GlassMasters.

Western has entered into a put/call agreement in regards to its partner's 37% interest in GlassMasters, in which Western's partner has the option to require Western to purchase their 37% interest, or Western has the option to require their partner to sell to Western. The Corporation has deemed the fair value of this agreement to be nil as at December 31, 2024, and 2023. The agreement may be exercised on February 1 on each of 2024, 2028, 2032, or 2036.

# The Western Investment Company of Canada Limited

## Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

### Fortress Insurance Company

During the previously financial year from January 1, 2024 up to the acquisition date, October 1, 2024, the Corporation held a 28% interest in Fortress. Western appointed two of eight directors to the Board of Directors and, as such, had the ability to exercise significant influence but not control over Fortress and, accordingly, the Corporation used the equity method to account for this investment. As at October 1, 2024, through a share acquisition, the Corporation obtained control over Fortress becoming a subsidiary of Western (note 10).

In association with the acquisition of control of Fortress on October 1, 2024, Fortress ceased to be an associate. A gain on disposal was recognized in the amount of \$2.6 million on the revaluation of this portion of our investment in Fortress to its fair value at the acquisition date.

### (b) Summarized financial information for associates

The below summarized financial information of each associate (disclosed at 100%) is presented in accordance with IFRS, prior to any intercompany eliminations, adjusted to reflect any adjustments required when applying the equity method of accounting for each investment.

As at September 30, 2025	Foothills \$	Golden \$	GlassMasters \$	Fortress \$
Current assets	8,838,277	2,142,869	13,101,884	-
Non-current assets	24,126,326	16,802,912	21,267,327	-
Current liabilities	23,638,739	1,350,466	8,940,965	-
Non-current liabilities	4,015,587	11,001,752	16,125,597	-
Net assets	5,310,277	6,593,563	9,302,649	-
Revenue	30,422,545	8,178,716	36,531,431	-
Total net Income and comprehensive income	(58,087)	898,842	2,037,564	-

As at December 31, 2024	Foothills \$	Golden \$	GlassMasters \$	Fortress \$
Current assets	8,624,097	15,611,114	8,667,908	-
Non-current assets	20,789,201	17,150,386	22,949,199	-
Current liabilities	8,102,575	1,310,716	23,633,271	-
Non-current liabilities	14,151,332	9,708,631	2,615,471	-
Net assets	7,159,391	7,692,153	5,368,365	-
Revenue	42,486,026	10,237,692	35,731,916	17,778,333
Total net Income and comprehensive income	1,112,431	658,883	(536,696)	529,499

Fortress ceased to be an associate on Oct 1, 2024. Revenue and net income are for the nine-month period ended September 30, 2024, for which Fortress was an associate of Western.

# The Western Investment Company of Canada Limited

## Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

### (c) Reconciliation of investments in associates' carrying value

As at September 30, 2025	Fortress \$	Foothills \$	Golden \$	GlassMasters \$	Total \$
Western's ownership interest (%)	N/a	49%	25-30%	55%	
Investment at December 31 2024	-	2,573,167	4,820,146	8,832,693	16,226,006
Share of dividends paid out	-	-	(150,000)	-	(150,000)
Return of capital	-	-	(479,700)	-	(479,700)
Share of net income (loss)	-	(28,364)	270,499	1,127,180	1,369,315
Investment at December 31 2025	-	2,544,803	4,460,945	9,959,873	16,965,621

As at December 31, 2024	Fortress \$	Foothills \$	Golden \$	GlassMasters \$	Total \$
Western's ownership interest (%)	28%	49%	25-30%	55%	
Investment at December 31 2023	2,726,191	2,842,164	4,711,339	8,188,455	18,468,149
Share of dividends paid out	-	-	(90,000)	-	(90,000)
Loss on dilution	-	(9,102)	-	-	(9,102)
Share of net income (loss)	150,628	(259,895)	198,807	644,238	733,778
Disposal of associate	(2,876,819)	-	-	-	(2,876,819)
Investment at December 31 2024	-	2,573,167	4,820,146	8,832,693	16,226,006

### 8 Business combination

On October 1, 2024, the Corporation completed the acquisition of Fortress ("the Acquisition"). Prior to the Acquisition, the Corporation held a 28% interest in the shares of Fortress. The Corporation issued 25,193,922 shares to acquire an additional 56% interest of Fortress, thereby increasing its total ownership interest to 84%. Fortress was acquired by the corporation in line with its long term strategy to become a successful Canadian Insurance and Investments group.

The Acquisition has been accounted for as a business combination under IFRS 3 whereby the Corporation was identified as the acquirer and Fortress as the acquiree. The Corporation has elected to measure the non-controlling interest at its proportionate share of the fair value of the acquiree's net identifiable assets.

# The Western Investment Company of Canada Limited

## Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

The following table summarizes the total consideration paid and the fair value of the identifiable assets acquired, and liabilities assumed at October 1, 2024, the date of acquisition.

<b>Purchase consideration</b>	<b>\$</b>
Share consideration	10,581,447
Fair value of previously held equity interest in Fortress	5,460,108
Non-controlling interests	<u>2,758,569</u>
	<u>18,800,124</u>
<b>Net identifiable assets acquired (liabilities assumed)</b>	
<b>Assets</b>	
Cash and cash equivalents	10,039,572
Investments	12,635,591
Receivables	68,243
Prepaid assets	351,229
Reinsurance contract assets	12,593,518
Property, plant and equipment	35,509
Intangible assets	1,935,610
Income taxes recoverable	<u>42,136</u>
	<u>37,701,408</u>
<b>Liabilities</b>	
Deferred tax liability	(397,975)
Accounts payable	(616,246)
Fronting payable	(1,817,324)
Due to related parties	(211,284)
Insurance contract liabilities	<u>(23,552,367)</u>
	<u>(26,595,196)</u>
Total identifiable net assets at fair value	11,106,212
<b>Goodwill arising on acquisition</b>	<b>7,693,912</b>

Goodwill arising from the acquisition represents future income and growth, and other intangibles that do not qualify for separate recognition. Intangible assets acquired include a data management system and licenses, which were valued by the cost approach, based on replacement cost; and broker relationships, which were valued by the income approach using the present value of the after-tax cash flows attributable to the relationships. Goodwill is not deductible for tax purposes.

Non-controlling interest was calculated as \$1,824,653 based on the percentage of net assets acquired plus \$933,916 for the fair value of outstanding Fortress's employee stock options that had vested as at the acquisition date. Fair value was determined with the Black Scholes option pricing model. Settlement of the employee option plan will be made with Western shares.

A gain of \$2.6 million was recognized from remeasuring the Corporation's equity interest in Fortress held just prior to the business combination to fair value.

From the date of acquisition through December 31, 2024, Fortress contributed \$8.1 million to the Corporation's insurance revenue and losses of \$244,227 to total comprehensive loss for the year. If the acquisition had occurred on January 1, 2024, insurance revenue would have been \$23.9 million and consolidated total comprehensive income for the year would have been \$1.5 million.

At December 31, 2024, Western acquired the remaining 16.4% of Fortress shares for \$3.5 million, paid for with a combination of \$2.2 million in cash and 2.125 million of Western shares at a fair value of \$1.3 million. The Corporation incurred a loss, recorded directly to equity, of \$1.7 million on the acquisition of \$1.8 million in non-controlling interest.

Transaction costs relating to the Acquisition of \$187,107 were expensed as incurred in 2024.

# The Western Investment Company of Canada Limited

## Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

### 9 Collateral

The Corporation is currently the beneficiary of two standby letters of credit issued by the Bank of Montreal in the amount of \$2,300,000 (\$2,300,000 – December 31, 2024) associated with Prairie View Holdings Ltd and with Arch Reinsurance Ltd in the amount of \$2,050,000 (\$2,050,000 – December 31, 2024). The Corporation also holds cash from Prairie View Holdings to cover any amount needed as collateral in excess of the aforementioned letter of credit; as of September 30, 2025, the Corporation held \$85,894 (\$213,891 – December 31, 2024). Lastly, the Corporation currently holds \$5,000,000 in cash from Adventist Risk Management as collateral for the program that launched in August 2025 (\$nil - December 31, 2024).

### 10 Operating loan

The Corporation has a committed revolving facility agreement (the "facility") with a Canadian financial institution to a maximum amount of \$2,000,000. The facility has a three-year revolving period with a maturity date of October 6, 2025, bears interest at the bank's prime rate plus 2% per annum and carries a standby fee of 0.5% per annum on the unused portion. Security for the facility includes:

- (a) a general security agreement over all present and after-acquired property;
  - (b) a share pledge agreement in respect to the Corporation's interest in some of its associates;
  - (c) an assignment of material contracts; and
  - (d) a continuing guarantee from material wholly owned subsidiaries of the Corporation, of which there are currently none.
- As at September 30, 2025, \$nil was drawn on the facility (2024 – \$nil).

### 11 Convertible debentures

As at December 31, 2024, the Corporation had issued unsecured convertible debentures ("the Debentures") with an aggregate face value of \$5.0 million and a principal amount of \$1,000 per Debenture. Each Debenture was convertible, at the holder's option, into common shares of Western at a conversion price of \$0.48 per share. The Debentures bore interest at 9.6% per annum, payable semi-annually at the end of March and September, and were scheduled to mature on December 31, 2025.

The Debentures were classified as compound financial instruments, comprising both liability and equity components. The liability component represented the present value of the interest and principal payments, discounted at 15%, which approximated the Corporation's borrowing rate for similar non-convertible debt at the time of issuance 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 \$4,760,456, and the equity component was \$400,908, resulting in a total increase in share capital of \$5,161,364.

During the period interest expense of \$134,464 was accounted for with regards to the debentures and \$209,096 paid including prior period accruals (2024 \$582,983 interest expense and \$441,310 interest paid).

### 12 Loan from related party

The Corporation holds a \$0.9 million shareholder loan from Golden (December 2024 – \$1.005 million). The loan bears interest at 6.09% annually, payable with monthly interest only and matures annually on January 31 with automatic annual renewal if all amounts of interest owing are not in default. There have been no amounts in default since the inception of the loan and there are no financial covenants affecting the loan. The Corporation has signed a share pledge agreement with respect to its interest in Golden as security for the loan. During the period ended September 30, 2025, Golden declared and paid dividends to its shareholders. Western's share of the dividend was \$150,000 of which \$105,000 was applied to the outstanding balance of the loan.

# The Western Investment Company of Canada Limited

## Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

### 13 Capital management

The Corporation's capital consists of share capital and debt. The Corporation's objective for managing capital is to maintain sufficient capital to cover its expenses and to identify, evaluate and execute acquisitions of private businesses that meet its investment criteria. The Corporation sets the amount of capital in relation to risk and manages the capital structure and makes adjustments to it in light of changes to economic conditions and the risk characteristics of the underlying assets.

The Corporation's objectives when managing capital are:

- to maintain a flexible capital structure, which optimizes the cost of capital and acceptable risk;
- to maintain investor, creditor and market confidence in order to sustain the future development of the business, and
- to maintain compliance with minimum capital requirements under statutory insurance legislation.

The Corporation is subject to certain requirements and restrictions under statutory insurance legislation in Alberta, which apply to the regulated insurance company of Fortress. Property and casualty insurance companies must maintain minimum levels of capital as determined in accordance with a prescribed test, the minimum capital test ("MCT"), which expresses available capital (actual capital plus or minus specified adjustments) as a percentage of required capital. Dividend restrictions are also regulated. Management is not aware of any non-compliance with legislation during the year.

### 14 Share capital

#### Authorized

Unlimited number of preferred shares, without par value

Unlimited number of common shares, without par value

#### Issued

There are no preferred shares issued to date.

The following is a summary of the common shares issued as at September 30, 2025, and as at December 31, 2024.

	Number of shares	Amount \$
<b>Balance December 31, 2023</b>	30,207,756	15,646,943
Shares issued in private placement	75,000,000	12,347,481
Shares issued in rights exercise	15,742,365	6,256,422
Shares issued in Fortress acquisition	27,318,922	11,920,197
<b>Balance December 31, 2024</b>	<b>148,269,043</b>	<b>46,171,043</b>
Conversion of debentures	10,582,007	5,161,364
<b>Balance September 30, 2025</b>	<b>158,851,050</b>	<b>51,332,407</b>

On October 1, 2024, the Corporation issued 25,193,922 shares in line with the acquisition of an additional 56% interest in Fortress as discussed in note 10.

On December 19, 2024, the Corporation closed a private placement and issued 75,000,000 shares for gross proceeds of \$30 million. Transaction costs relating to this transaction of \$897,519, were capitalized to equity. Each unit subscribed to in the private placement included one common share and one share purchase warrant. Each warrant will be exercisable to purchase one additional common share for a period of 5 years from the date of closing at an exercise price of \$0.47. The fair value of the warrants, as determined by the Black-Scholes option pricing model, was \$16.8 million and is included in contributed surplus. As at September 30, 2025, all 75 million warrants remained outstanding.

On December 5, 2024, the Corporation closed a rights offering, issuing 15,742,365 shares at \$0.40 per common share for gross proceeds of \$6.3 million. \$40,524 in transaction costs related to this offering were capitalized to equity.

On December 31, 2024, 2,125,000 common shares were issued in line with the acquisition of the remaining 16.4% interest in Fortress, thereby making Fortress a wholly-owned subsidiary of Western.

# The Western Investment Company of Canada Limited

## Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

### Debentures

In February 2025, Western notified holders of the debentures issued under the debenture indenture dated October 24, 2023, between Western and Odyssey Trust Company (the "Indenture"), that the forced conversion provisions of the Indenture had been triggered. This occurred after the 20-day volume-weighted average price of Western's common shares reached \$0.67 on February 25, 2025, surpassing the \$0.65 threshold per the Indenture. The outstanding principal of \$5,000,000 was subsequently converted into 10,582,007 common shares of Western at a conversion price of \$0.4725/ share as of the close of business on March 7, 2025. Accrued and unpaid interest from October 1, 2024 to March 7, 2025, was paid to debenture holders at the time of conversion, and all debentures were cancelled effective March 7, 2025.

### Omnibus equity incentive plan

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 on September 29, 2025.

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.

### Stock options

During the year ended December 31, 2024 120,000 in Western stock options were issued (2023 – 275,000). All options vest immediately and are expensed at the time of grant. For the year ended December 31, 2024, \$40,872 in share-based compensation expense was recognized related to these options (2023 - \$56,513). Options are exercisable for period of up to years from the grant date.

All options are settled through Western's common shares. The compensation expense for options granted is calculated using the Black-Scholes option pricing model with the following assumptions:

	<b>2025</b>	<b>2024</b>
Risk-free interest rate	N/a	3.13%
Spot price (\$)	N/a	0.49
Exercise price (\$)	N/a	0.49
Dividend yield	N/a	-
Expected life (years)	N/a	10
Volatility	N/a	58%

Grant date	Expiry date	Exercise price (\$)	Number of options	Remaining contractual life (years)	Fair value of options at grant date (\$)
Feb 24 2016	Feb 24 2026	0.50	790,000	0.40	0.60
Apr 06 2016	Apr 06 2026	0.56	140,000	0.52	0.46
Apr 21 2017	Apr 21 2027	0.65	30,000	1.56	0.39
Jun 19 2017	Jun 19 2027	0.65	150,000	1.72	0.33
Jul 04 2018	Jul 04 2028	0.50	320,000	2.76	0.23
Aug 23 2019	Aug 23 2029	0.40	294,000	3.90	0.25
Jun 01 2020	Jun 01 2030	0.27	360,000	4.67	0.17
May 03 2021	May 03 2031	0.27	360,000	5.59	0.18
Jun 29 2022	Jun 29 2032	0.34	220,000	6.75	0.24
Jun 22 2023	Jun 22 2033	0.35	275,000	7.73	0.21
Oct 17 2024	Oct 17 2034	0.49	120,000	9.05	0.34
<b>TOTAL number of options</b>			<b>3,059,000</b>		

A total of 3,059,000 options are outstanding and exercisable as at September 30, 2025 (December 31, 2024- 2,939,000) with a weighted average exercise price of \$0.42 (2023 – \$0.42). The weighted average remaining contractual life of the outstanding options was 3.63 (December 2024 – 4.38)

# The Western Investment Company of Canada Limited

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2025

### Restricted share units

During the period ending September 30, 2025, 2,460,360 Restricted Share Units were issued to officers. These units represent the right, that upon vesting, the participant would have the right to receive one fully paid up share per unit on the date of redemption. 50% of these units vest 5 years from the issue date, with the remaining 50% vesting 10 years from the issue date.

Grant date	Vesting date	Number of units issued	Fair value of RSUs at grant date (\$)	Remaining contractual life (years)	Amount expensed in the income statement in the current year
Sep 29 2025	Aug 06 2030	833,333	508,333	4.85	17,827
Sep 29 2025	Aug 06 2035	833,333	508,333	9.85	7,518
Sep 29 2025	Aug 31 2030	396,825	242,063	4.92	3,846
Sep 29 2025	Aug 31 2035	396,825	242,063	9.92	1,923
		<b>2,460,316</b>			<b>31,114</b>

### Share repurchases

The Corporation had regulatory approval for a normal course issuer bid (the "Bid") whereby Western may purchase up to a total of approximately 5.0% of common shares issued and outstanding at the time the bid was last renewed.

Any acquisitions of common shares by the Corporation pursuant to the Bid are made through the facilities of the TSX Venture Exchange at the market price of the common shares at the time of the acquisition. The Corporation has an automatic share purchase plan in place with a dealer, in which the dealer shall purchase shares on behalf of the Corporation, subject to the limitations on the Bid.

The most recent Bid expired on February 9, 2025, and has not been renewed this year to date.

Any shares repurchased by the Corporation are cancelled at the end of the month in which they are repurchased with a reduction to share capital at their average issued price. The difference between the issued price and the repurchase price of the shares repurchased is recorded to contributed surplus.

For the period ended September 30, 2025, no common shares were repurchased (2024 – nil)

### 15 Employee share ownership plan

The Corporation's wholly owned subsidiary, Fortress has implemented an Employee Share Ownership Plan (ESOP), which previously granted employees the option to acquire shares of Fortress. The primary objective of the ESOP is to align the interests of employees with those of shareholders and to provide employees with an opportunity to share in Fortress's success.

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. As at the acquisition date, 678,414 options were outstanding. The fair value of all vested options, as determined by the Black-Scholes option pricing model, was \$933,916. This was included in the business combination as part of the non-controlling interest. Going forward, the unvested portion of these Fortress options will be 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, \$196,956 was recognized as an expense in the consolidated profit and loss (September 30, 2024 - \$nil).

Fortress's grants have a term of 0.50 – 4.25 years, with vesting periods of immediate to 2.25 years. As at September 30, 2025, 683,655 options were outstanding under the ESOP, 611,174 of which are exercisable. Exercise prices are between \$0.44 - \$2.94 with vesting dates until December 31, 2027. For the period ended September 30, 2025, each option outstanding had a fair value between \$0.84 - \$2.50.

As at September 30, 2025, the Corporation had \$1,274,597 in non-controlling interest related to this ESOP (September 30, 2024 - \$nil).

**The Western Investment Company of Canada Limited**  
Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

**16 Investment income**  
**Net investment return**

2025	Net investment income \$	Net realized gains and losses \$	Changes in fair value \$	Net investment return \$
<b>Debt securities</b>				
At fair value through profit/loss	111,602	66,144	-	177,746
At fair value through OCI	-	-	28,951	28,951
<b>Equities</b>				
At fair value through profit/loss	65,697	117,820	-	183,517
<b>Short-term investments</b>				
At fair value through profit/loss	85,472	-	-	85,472
<b>Cash and cash equivalents</b>				
At cost basis	375,499	-	-	375,499
Management fees paid	(40,054)	-	-	(40,054)
<b>Total investment income</b>	<b>598,216</b>	<b>183,964</b>	<b>28,951</b>	<b>811,131</b>

Investment income presented as:

Net Realized Investment income	782,180
Unrealized gain for FV OCI instruments	28,951
<b>Total investment income</b>	<b>811,131</b>

<b>Total dividend income</b>	60,909
<b>Total interest income</b>	577,361

2024	Net investment income \$	Net realized gains and losses \$	Changes in fair value \$	Net investment return \$
<b>Debt securities</b>				
At fair value through profit/loss	45,380	5,423	-	50,803
At fair value through OCI	-	-	(27,114)	(27,114)
<b>Equities</b>				
At fair value through profit/loss	22,564	22,939	71,176	116,679
<b>Short-term investments</b>				
At fair value through profit/loss	36,642	-	-	36,642
<b>Cash and cash equivalents</b>				
Management fees paid	(13,098)	-	-	(13,098)
<b>Total investment income</b>	<b>184,599</b>	<b>28,362</b>	<b>44,062</b>	<b>257,023</b>

Investment income presented as:

Net Investment income	284,137
Unrealized gain for FV OCI instruments	(27,114)
<b>Total investment income</b>	<b>257,023</b>

<b>Total dividend income</b>	22,236
<b>Total interest income</b>	176,477

**The Western Investment Company of Canada Limited**  
Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

**17 Dividends declared**

No dividends were declared or paid in the period ended September 30, 2025 (2024 nil).

**18 Earnings (loss) per common share**

Earnings (loss) per common share is calculated as follows:

	2025	2024
	\$	\$
Net income for the year period ending September 30	370,478	149,959
Basic weighted average number of common shares outstanding	156,351,978	30,207,756
Effect of dilutive securities	19,631,571	476,352
Diluted weighted average number of common shares outstanding	175,983,549	30,684,108
Basic earnings (loss) per common share	0.002	0.005
Diluted earnings (loss) per common share	0.002	0.005

As at September 30, 2025, there were 2,460,318 Restricted share units issued. Of these options and 3,059,000 share options outstanding (December 31, 2024 – 3,059,000), 180,000 were anti-dilutive (December 31, 2024 - 180,000)

# The Western Investment Company of Canada Limited

## Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

### 19 Supplemental cash flow information

The net change in non-cash working capital is as follows:

	2025	2024
	\$	\$
Accounts receivable	(199,625)	(37,574)
Accrued interest receivable	90,944	(7,613)
Income taxes	(422,078)	126,777
Reinsurance contract assets	(17,282,474)	(8,360,161)
Prepaid assets	(767,625)	104,503
Accounts payable	(535,666)	1,260,056
Fronting payable	7,842,058	(357,175)
Due to related parties	(144,645)	23,682
Collateral held	(128,766)	213,891
Insurance contract liabilities	15,343,723	8,983,233
Other liabilities	41,431	-
	<u>3,837,276</u>	<u>1,949,619</u>

### 20 Due (to) from related parties

The following amounts are due (to) from related parties:

	September 30, 2025	December 31, 2024
	\$	\$
<b>Amounts due from associates</b>		
GlassMasters management fees	56,250	19,687
GlassMasters interest due on promissory note	-	163,049
GlassMasters shareholder loan	-	351,009
Foothills shareholder loan	1,257,129	769,594
	<u>1,313,379</u>	<u>1,303,339</u>
<b>Amounts due to associates</b>		
Golden shareholder loan	900,000	1,005,000
<b>Amounts due to Fortress from a shareholder of the Corporation</b>		
Deductibles recoverable from policy holders	2,062,854	1,565,563
<b>Amounts due by Fortress to a shareholder of the Corporation</b>		
Receivable from cost-neutral arrangement	(66,760)	(234,966)
Cash held as collateral	(85,125)	(213,891)
	<u>(151,885)</u>	<u>(448,857)</u>

GlassMasters' shareholder loans was subject to 12% interest per annum compounded monthly. Interest accrued on all amounts owing to Western including management fees and cash advances. The loan is composed of cash advances, unpaid management fees and interest. The loan terms are such that it matures annually, on December 31st, with automatic renewal if all interest has been paid. The loan was settled in July 2025, with the only remaining portion being management fees for 2025 which are being reviewed by Western and Glassmasters.

On March 10, 2025, dividends totalling \$150,000 were declared at Golden payable to Western. \$105,000 of this was used to pay down the Golden shareholder loan, and \$45,000 was paid in cash to Western.

# The Western Investment Company of Canada Limited

## Notes to the Condensed Interim Consolidated Financial Statements

For the period ended September 30, 2025

In June 2025, the Corporation advanced \$336,700 to Foothills, in addition to previous advances of \$500,000 made prior to 2025. In addition, any outstanding management fees are added to the principal sum owing and the shareholder loan bears interest at 13% per annum.

The loan has a one-year maturity date, with the option to extend consecutive six-month periods. At the maturity date, Western has the option to convert the outstanding principal sum, together with all accrued and unpaid interest, into shares of Foothills at a conversion price of \$1.00 per share. If the conversion option is exercised, Western will receive share purchase warrants of Foothills in the amount of one-third of one share purchase warrant for every one share issued upon conversion of the loan. Each warrant shall entitle Western to purchase one share of Foothills.

Foothills' shareholder loan is considered not to represent solely payments of principal and interest and, accordingly, is classified at fair value through profit or loss.

As at September 30, 2025, fair value has been determined to equal principal amounts of the loan \$836,700 (December 2024 \$500,000), due management fees \$216,563 (2024 157,500) and accrued interest of \$203,867 (2024 - \$112,094). The fair value is based on Level 3 inputs, using a discounted cash flow model. The loan matured on October 27, 2025 and the maturity date was extended at the Foothills board meeting in November 2025.

### 21 Related party transactions

Western's related parties consist of directors and officers of Western and its subsidiary, and Western's associates. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

	September 30, 2025	September 30, 2024
	\$	\$
The following is a summary of the Corporation's transactions with related parties:		
<b>Transactions with associates</b>		
Management fees	112,500	112,500
Finance Income	603,724	561,818
Dividends received	90,000	90,000
Interest expense	(42,471)	(41,950)
<b>Tevir Capital holdings</b>		
Management fee	340,000	-

In accordance with the terms of a shareholder's agreement, Western earns an annual management fee, to provide strategic, governance and other advisory services, from certain of its associates, payable on a quarterly basis. As at September 30, 2025 \$112,500 in management fees for 2025 was due from associates (December 31, 2024, \$19,687).

Finance income relates to interest earned on loans to associates. As at September 30, 2025, \$203,867 in interest was due from associates (December 31, 2024 - \$163,050).

The Corporation has a management services agreement in place with the Tevir Capital Corp ("Tevir"), a company owned by the CEO of the Corporation. The agreement was signed December 6, 2024, for a two-year term with annual renewal thereafter. The first management fee was paid in January of 2025. The management fee payable under this agreement is \$500,000 annually plus expenses, payable on monthly basis.

During the period ended September 30, 2025, \$880,972 in salaries and benefits was paid or payable to key members of management (December 31, 2024 - \$729,016), and \$31,114 in share-based compensation (December 31, 2024 - \$183,576).

### 22 Subsequent events

In November 2025, a further 806,452 restricted share units (RSUs) were issued with the appointment of a chief actuary. These RSUs are subject to the Omnibus equity incentive plan described on note 14 and have the same vesting conditions as previously issued RSUs.