



WESTBOND ENTERPRISES CORPORATION

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2025 and 2024

(Unaudited – See Notice to Reader)

WestBond Enterprises Corporation
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WestBond Enterprises Corporation

Notice to Reader

The accompanying interim consolidated financial statements of WestBond Enterprises Corporation for the three and six month periods ended September 30, 2025 and 2024 have been prepared by and are the responsibility of the company's management. They are unaudited and have not been reviewed by independent auditors.

WestBond Enterprises Corporation
Consolidated Statements of Financial Position
Canadian Dollars
(Unaudited)

	September 30	March 31
	2025	2025
	\$	\$
ASSETS		
Non-Current Assets		
Plant and equipment	6,592,675	6,908,218
Right-of-use assets	1,132,326	1,271,210
Deferred tax asset	95,780	83,280
	<u>7,820,781</u>	<u>8,262,708</u>
Current Assets		
Inventory	2,171,505	2,117,447
Trade and other receivables	1,848,009	1,677,686
Prepaid expenses	282,590	219,250
Cash and cash equivalents	277,434	143,266
	<u>4,579,538</u>	<u>4,157,649</u>
Total Assets	<u><u>12,400,319</u></u>	<u><u>12,420,357</u></u>
EQUITY AND LIABILITIES		
Equity		
Common shares issued and outstanding	4,206,910	4,206,910
Stock options	158,550	158,550
Contributed surplus	326,989	326,989
Retained earnings	3,240,914	2,968,574
Equity attributable to common shareholders	<u>7,933,363</u>	<u>7,661,023</u>
Liabilities		
Non-Current Liabilities		
Lease liability	1,053,904	1,210,023
Deferred tax liability	1,614,239	1,696,300
	<u>2,668,143</u>	<u>2,906,323</u>
Current Liabilities		
Revolving bank loans	-	145,000
Lease liability	309,232	302,390
Income tax payable	145,723	134,223
Trade and other payables	1,343,857	1,271,398
	<u>1,798,812</u>	<u>1,853,011</u>
Total Liabilities	<u>4,466,955</u>	<u>4,759,334</u>
Total Equity and Liabilities	<u><u>12,400,319</u></u>	<u><u>12,420,357</u></u>

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

WestBond Enterprises Corporation
Consolidated Statements of Profit and Comprehensive Income
Canadian Dollars
(Unaudited)

	Notes	Three months ended September 30		Six months ended September 30	
		2025 \$	2024 \$	2025 \$	2024 \$
Sales	5	3,030,669	2,577,348	5,758,083	4,844,724
Cost of sales	6	2,485,058	2,178,877	4,842,427	4,191,475
Gross Profit		545,611	398,471	915,656	653,249
Selling and distribution expenses	7	48,465	48,053	101,219	89,226
General and administrative expenses	8	234,763	222,441	404,296	383,906
Operating Profit (Loss)		262,383	127,977	410,141	180,117
Foreign exchange (gain) loss		6,447	5,711	1,896	9,541
Interest expense-bank loans		254	5,099	1,789	16,179
Interest expense on lease liability		15,563	18,842	31,783	38,234
Profit (Loss) Before Tax		240,119	98,325	374,673	116,163
Income tax expense (recovery)		65,489	27,265	102,333	32,537
Profit (Loss) and Comprehensive Income		174,630	71,060	272,340	83,626
Weighted average shares outstanding		35,625,800	35,625,800	35,625,800	35,625,800
Earnings per share, basic		0.005	0.002	0.008	0.002
Fully diluted weighted average shares outstanding		35,682,092	35,625,800	35,665,352	35,625,800
Earnings per share, fully diluted		0.005	0.002	0.008	0.002

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

WestBond Enterprises Corporation
Consolidated Statements of Changes in Equity
Canadian Dollars
(Unaudited)

	Common Shares	Stock Options	Contributed Surplus	Retained Earnings	Total
	\$	\$	\$	\$	\$
Balance as at March 31, 2024	4,206,910	65,800	326,989	3,020,954	7,620,653
Grant of stock options	-	92,750	-	-	92,750
Profit for the period	-	-	-	(52,380)	(52,380)
Balance as at March 31, 2025	4,206,910	158,550	326,989	2,968,574	7,661,023
Balance as at March 31, 2025	4,206,910	158,550	326,989	2,968,574	7,661,023
Profit (Loss) for the period	-	-	-	272,340	272,340
Balance as at September 30, 2025	4,206,910	158,550	326,989	3,240,914	7,933,363

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

WestBond Enterprises Corporation

Consolidated Statements of Cash Flows

Canadian Dollars
(Unaudited)

Notes	Three months ended		Six months ended	
	September 30		September 30	
	2025	2024	2025	2024
	\$	\$	\$	\$
Operating Activities				
Profit (Loss)	174,630	71,060	272,340	12,566
Adjustments to reconcile profit to cash flows from operating activities				
- depreciation of plant and office equipment	216,082	239,085	432,815	240,345
- depreciation of right-of-use assets	69,822	69,822	138,884	69,062
- Expected credit loss on trade receivables	-	-	(30,000)	(20,000)
- interest expense on bank loans	254	5,099	1,789	11,080
- interest expense on lease liabilities	15,563	18,842	31,783	19,392
- income tax expense	65,489	27,265	102,333	5,272
- income tax recovered (paid)	(40,934)	12,957	(185,394)	-
Cash flows from operating activities before changes in non-cash working capital	500,906	444,130	764,550	337,717
Decrease (increase) in				
- inventory	21,231	295,904	(54,058)	35,545
- trade and other receivables	(312,554)	(67,947)	(140,323)	(284,051)
- prepaid expenses	(119,631)	97,088	(63,340)	(93,977)
- trade and other payables	110,086	(131,928)	82,821	200,615
Net Cash Flow from Operating Activities	200,038	637,246	589,650	195,848
Investing Activities				
Purchase of plant and equipment	(58,896)	(89,763)	(132,615)	(24,793)
Net Cash Flow from Investing Activities	(58,896)	(89,763)	(132,615)	(24,793)
Financing Activities				
Interest paid on bank loans	(254)	(5,099)	(1,789)	(11,080)
Increase (decrease) in revolving bank loans	-	(430,000)	(145,000)	(145,000)
Interest portion of lease payments	(15,838)	(19,092)	(26,801)	(13,082)
Principal portion of lease payments	(75,058)	(68,577)	(149,277)	(67,809)
Net Cash Flow from Financing Activities	(91,150)	(522,768)	(322,867)	(236,971)
Net Increase (Decrease) in Cash and Cash Equivalents	49,992	24,715	134,168	(65,916)
Cash and Cash Equivalents at the Beginning of the Period	227,442	45,085	143,266	111,001
Cash and Cash Equivalents at the End of the Period	277,434	69,800	277,434	45,085

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

WESTBOND ENTERPRISES CORPORATION

Notes to the Interim Consolidated Financial Statements

September 30, 2025 and 2024

(Canadian Dollars)

(unaudited)

1. GENERAL INFORMATION

WestBond Enterprises Corporation and its wholly owned subsidiary, WestBond Industries Inc., (together, the company) are a paper manufacturer and converter that manufactures disposable products for the medical, personal hygiene and food service/hospitality markets. The company's manufacturing facilities are in Canada and its sales are primarily to Canada and the United States of America. The company is incorporated in British Columbia, Canada, and has its principal place of business at 101 – 7403 Progress Way, Delta, British Columbia.

The interim consolidated financial statements of the company for the three and six month periods ended September 30, 2025 were approved and authorized for issue by resolution of the directors on November 4, 2025.

2. BASIS OF PREPARATION AND INTERIM PERIOD REPORTING

The interim consolidated financial statements of the company have been prepared in compliance with International Accounting Standard 34, *Interim Financial Reporting*, ("IAS 34"). The policies applied in these interim consolidated financial statements are based on International Financial Reporting Standards ("IFRS") issued and outstanding as of the date the Board of Directors approved the statements. Any subsequent changes to IFRS that are given effect in the company's annual consolidated financial statements for the year ending March 31, 2026 could result in restatement of these interim consolidated financial statements. The interim consolidated financial statements have been prepared under the historical cost convention.

The same accounting policies and methods of computation were followed in the preparation of these interim consolidated financial statements as in the consolidated financial statements for the year ended March 31, 2025.

The disclosure contained in these interim consolidated financial statements is condensed and includes only selected explanatory notes and does not duplicate or repeat disclosure reported in the consolidated financial statements for the year ended March 31, 2025 that has not changed materially since their date of issue. Accordingly, these interim consolidated financial statements should only be read in conjunction with the consolidated financial statements of the company for the year ended March 31, 2025.

3. RELATED PARTY TRANSACTIONS

During the three months ended September 30, 2025 the company incurred total compensation, comprising short-term employee benefits, of \$112,724 (2024 – \$113,168), to the directors and officers of the company. Subsequent to March 2025, Mr. J. Douglas Seppala is not associated with DuMoulin Black LLP (a law firm with which Mr. Seppala, a director of the company, was associated) and does not provide legal services to the Company. Any remuneration paid to Mr. Seppala is for acting in his capacity as a member of the board of directors of the Company or committees thereof.

WESTBOND ENTERPRISES CORPORATION
Notes to the Interim Consolidated Financial Statements
September 30, 2025 and 2024
Canadian Dollars
(unaudited)

		Three months ended		Six months ended	
		September 30		September 30	
		2025	2024	2025	2024
				\$	\$
5.	SALES				
	Personal hygiene products	743,033	548,236	1,329,617	1,123,547
	Clinical products	411,142	269,434	836,561	603,098
	Wipes	561,137	499,265	1,113,509	1,061,147
	Napkins & Parent Rolls (Air laid)	1,313,507	1,243,323	2,472,908	2,037,707
	Other products	1,850	17,090	5,488	19,225
		<u>3,030,669</u>	<u>2,577,348</u>	<u>5,758,083</u>	<u>4,844,724</u>
6.	COST OF SALES				
	Materials	1,329,335	1,121,802	2,553,033	2,137,560
	Production labour	309,926	240,144	581,619	451,687
	Factory overhead labour	122,962	124,434	255,653	244,587
	Variable overhead	124,097	108,324	255,694	205,839
	Fixed overhead	96,844	84,656	193,369	176,519
	Shipping	223,374	198,464	446,048	372,650
	Depreciation of plant equipment	213,446	235,979	427,571	473,193
	Depreciation of right-of-use assets	65,074	65,074	129,440	129,440
		<u>2,485,058</u>	<u>2,178,877</u>	<u>4,842,427</u>	<u>4,191,475</u>
7.	SELLING AND DISTRIBUTION EXPENSES				
	Wages, commissions and other employee benefits	42,248	43,286	83,852	76,956
	Other	6,217	4,767	17,367	12,270
		<u>48,465</u>	<u>48,053</u>	<u>101,219</u>	<u>89,226</u>
8.	GENERAL AND ADMINISTRATIVE EXPENSES				
	Administration and office	40,432	42,430	74,461	72,673
	Corporate promotion	2,731	2,528	3,129	2,926
	Depreciation of right-of-use assets	4,748	4,748	9,444	9,444
	Impairment (gain) loss on trade receivables	-	-	(30,000)	(19,374)
	Professional fees	19,664	22,329	43,060	39,879
	Salaries and other employee benefits	167,188	150,406	304,202	278,358
		<u>234,763</u>	<u>222,441</u>	<u>404,296</u>	<u>383,906</u>
9.	NON-CASH INVESTING ACTIVITIES				
	Increase (decrease) in accounts payable related to purchase of plant and equipment	(6,545)	(20,357)	(15,343)	28,033