



WESTBOND ENTERPRISES CORPORATION

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

December 31, 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 nine month periods ended December 31, 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)

	December 31	March 31
	2025	2025
	\$	\$
ASSETS		
Non-Current Assets		
Plant and equipment	6,466,015	6,908,218
Right-of-use assets	1,062,504	1,271,210
Deferred tax asset	101,487	83,280
Other non-current assets	-	-
	7,630,006	8,262,708
Current Assets		
Inventory	2,189,068	2,117,447
Trade and other receivables	1,897,622	1,677,686
Prepaid expenses	117,749	219,250
Cash and cash equivalents	652,196	143,266
	4,856,635	4,157,649
Total Assets	12,486,641	12,420,357
EQUITY AND LIABILITIES		
Equity		
Common shares issued and outstanding	4,206,910	4,206,910
Stock options	92,750	158,550
Contributed surplus	392,789	326,989
Retained earnings	3,458,862	2,968,574
Equity attributable to common shareholders	8,151,311	7,661,023
Liabilities		
Non-Current Liabilities		
Lease liability	974,401	1,210,023
Deferred tax liability	1,579,038	1,696,300
	2,553,439	2,906,323
Current Liabilities		
Revolving bank loans	-	145,000
Lease liability	312,673	302,390
Income tax payable	172,908	134,223
Trade and other payables	1,296,310	1,271,398
	1,781,891	1,853,011
Total Liabilities	4,335,330	4,759,334
Total Equity and Liabilities	12,486,641	12,420,357

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

	Notes	Three months ended		Nine months ended	
		December 31		December 31	
		2025	2024	2025	2024
		\$	\$	\$	\$
Sales	5	2,973,050	2,305,562	8,731,133	7,150,286
Cost of sales	6	2,349,232	2,082,162	7,191,659	6,273,637
Gross Profit		623,818	223,400	1,539,474	876,649
Selling and distribution expenses	7	51,410	42,300	152,629	131,526
General and administrative expenses	8	258,210	192,727	662,506	576,633
Operating Profit (Loss)		314,198	(11,627)	724,339	168,490
Foreign exchange (gain) loss		262	24,062	2,158	33,603
Interest expense-bank loans		-	549	1,789	16,729
Interest expense on lease liability		14,711	18,051	46,494	56,285
Profit (Loss) Before Tax		299,225	(54,289)	673,898	61,873
Income tax expense (recovery)		81,277	(14,182)	183,610	18,355
Profit (Loss) and Comprehensive Income		217,948	(40,107)	490,288	43,518
Weighted average shares outstanding		35,625,800	35,625,800	35,625,800	35,625,800
Earnings per share, basic		0.006	(0.001)	0.014	0.001

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
Profit for the period	-	-	-	43,519	43,519
Balance as at December 31, 2024	4,206,910	65,800	326,989	3,064,473	7,664,172
Balance as at March 31, 2025	4,206,910	158,550	326,989	2,968,574	7,661,023
Expiration of stock options	-	(65,800)	65,800	-	-
Profit (Loss) for the period	-	-	-	490,288	490,288
Balance as at December 31, 2025	4,206,910	92,750	392,789	3,458,862	8,151,311

WestBond Enterprises Corporation
Consolidated Statements of Cash Flows
Canadian Dollars
(Unaudited)

Notes	Three months ended		Nine months ended	
	December 31		December 31	
	2025	2024	2025	2024
	\$	\$	\$	\$
Operating Activities				
Profit (Loss)	217,948	(40,107)	490,288	12,566
Adjustments to reconcile profit to cash flows from operating activities				
- depreciation of plant and office equipment	216,532	236,908	649,347	240,345
- depreciation of right-of-use assets	69,822	69,822	208,706	69,062
- Expected credit loss on trade receivables	-	-	(30,000)	(20,000)
- interest expense on bank loans	-	549	1,789	11,080
- interest expense on lease liabilities	14,711	18,051	46,494	19,392
- income tax expense	81,277	(14,182)	183,610	5,272
- income tax recovered (paid)	(94,999)	(29,999)	(280,393)	-
Cash flows from operating activities before changes in non-cash working capital	505,291	241,042	1,269,841	337,717
Decrease (increase) in				
- inventory	(17,563)	(432,978)	(71,621)	35,545
- trade and other receivables	(49,613)	(75,184)	(189,936)	(284,051)
- prepaid expenses	164,841	23,419	101,501	(93,977)
- trade and other payables	(71,208)	195,149	11,613	200,615
Net Cash Flow from Operating Activities	531,748	(48,552)	1,121,398	195,848
Investing Activities				
Purchase of plant and equipment	(66,092)	(78,938)	(198,707)	(24,793)
Net Cash Flow from Investing Activities	(66,092)	(78,938)	(198,707)	(24,793)
Financing Activities				
Interest paid on bank loans	-	(549)	(1,789)	(11,080)
Increase (decrease) in revolving bank loans	-	200,000	(145,000)	(145,000)
Interest portion of lease payments	(14,832)	(18,120)	(41,633)	(13,082)
Principal portion of lease payments	(76,062)	(71,699)	(225,339)	(67,809)
Net Cash Flow from Financing Activities	(90,894)	109,632	(413,761)	(236,971)
Net Increase (Decrease) in Cash and Cash Equivalents	374,762	(17,858)	508,930	(65,916)
Cash and Cash Equivalents at the Beginning of the Period	277,434	69,800	143,266	111,001
Cash and Cash Equivalents at the End of the Period	652,196	51,942	652,196	45,085

WESTBOND ENTERPRISES CORPORATION

Notes to the Interim Consolidated Financial Statements

December 31, 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 nine month periods ended December 31, 2025 were approved and authorized for issue by resolution of the directors on January 29, 2026.

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 December 31, 2025 the company incurred total compensation, comprising short-term employee benefits, of \$115,808 (2024 – \$99,177), to the directors and officers of the company.

WESTBOND ENTERPRISES CORPORATION
Notes to the Interim Consolidated Financial Statements
December 31, 2025 and 2024
Canadian Dollars
(unaudited)

	Three months ended		Nine months ended	
	December 31		December 31	
	2025	2024	2025	2024
	\$	\$	\$	\$
5. SALES				
Personal hygiene products	737,358	429,906	2,066,975	1,553,453
Clinical products	412,448	480,011	1,249,009	1,083,109
Wipes	716,734	602,281	1,830,243	1,663,428
Napkins & Parent Rolls (Air laid)	1,087,007	790,753	3,559,915	2,828,460
Other products	19,503	2,611	24,991	21,836
	<u>2,973,050</u>	<u>2,305,562</u>	<u>8,731,133</u>	<u>7,150,286</u>
6. COST OF SALES				
Materials	1,214,693	998,360	3,767,726	3,135,920
Production labour	311,024	241,356	892,643	693,043
Factory overhead labour	110,120	131,713	365,773	376,300
Variable overhead	129,619	117,087	385,313	322,926
Fixed overhead	91,542	85,192	284,911	261,711
Shipping	213,265	209,304	659,313	581,954
Depreciation of plant equipment	213,895	234,076	641,466	707,269
Depreciation of right-of-use assets	65,074	65,074	194,514	194,514
	<u>2,349,232</u>	<u>2,082,162</u>	<u>7,191,659</u>	<u>6,273,637</u>
7. SELLING AND DISTRIBUTION EXPENSES				
Wages, commissions and other employee benefits	42,106	33,456	125,958	110,412
Other	9,304	8,844	26,671	21,114
	<u>51,410</u>	<u>42,300</u>	<u>152,629</u>	<u>131,526</u>
8. GENERAL AND ADMINISTRATIVE EXPENSES				
Administration and office	32,675	29,520	107,136	102,193
Corporate promotion	1,637	398	4,766	3,324
Depreciation of right-of-use assets	4,748	4,748	14,192	14,192
Impairment (gain) loss on trade receivables	-	-	(30,000)	(19,374)
Professional fees	20,853	17,769	63,913	57,648
Salaries and other employee benefits	198,297	140,292	502,499	418,650
	<u>258,210</u>	<u>192,727</u>	<u>662,506</u>	<u>576,633</u>
9. NON-CASH INVESTING ACTIVITIES				
Increase (decrease) in accounts payable related to purchase of plant and equipment	6,184	1,497	8,438	9,004