

KITS EYECARE LTD.

Condensed Interim Consolidated Financial Statements

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

(in thousands of Canadian Dollars, except share and per share data)

(Unaudited)

KITS EYECARE LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME**

(in thousands of Canadian Dollars, except share and per share data)

(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Revenue (Note 3)	\$ 52,392	\$ 41,871	\$ 148,567	\$ 114,505
Cost of sales	34,249	28,080	95,306	77,130
Gross profit	18,143	13,791	53,261	37,375
Fulfillment	5,342	4,521	15,750	12,903
Marketing	7,412	5,609	21,223	15,190
General and administrative	3,010	2,591	9,577	7,715
Exchange (gain)/loss	(547)	528	1,224	(651)
Depreciation and amortization	224	202	668	935
Operating income	2,702	340	4,819	1,283
Finance costs - net	67	84	366	551
Income before income taxes	\$ 2,635	256	\$ 4,453	\$ 732
Income taxes (Note 12)	698	124	1,607	349
Net Income for the period	\$ 1,937	\$ 132	\$ 2,846	\$ 383
Income per share (Note 13)				
Basic	\$ 0.06	\$ 0.00	\$ 0.09	\$ 0.01
Diluted	\$ 0.06	\$ 0.00	\$ 0.08	\$ 0.01
Weighted average number of shares outstanding (Note 13)				
Basic	32,135,986	31,565,907	32,003,430	31,492,690
Diluted	34,175,827	33,884,309	34,005,186	33,711,937

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

KITS EYECARE LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

(in thousands of Canadian Dollars, except share and per share data)

(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Net income for the period	\$ 1,937	\$ 132	\$ 2,846	\$ 383
Other comprehensive income for the period:				
Items that may be reclassified to profit or loss				
Currency translation differences	664	(380)	(1,060)	531
Total other comprehensive income (loss) for the period	<u>\$ 2,601</u>	<u>\$ (248)</u>	<u>\$ 1,786</u>	<u>\$ 914</u>

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KITS EYECARE LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(in thousands of Canadian Dollars, except share and per share data)

(Unaudited)

	September 30, 2025	December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	\$ 19,692	\$ 19,271
Accounts and other receivables	2,679	2,497
Inventory (Note 6)	22,131	22,487
Tax receivable	-	33
Prepays, deposits and other assets	1,053	787
Total current assets	45,555	45,075
Property and equipment (Note 7)	3,394	4,478
Right-of-use asset (Note 8)	5,889	6,381
Deferred tax asset (Note 12)	3,028	4,757
Intangible assets (Note 14)	1,136	1,145
Goodwill (Note 14)	39,849	41,188
Total assets	<u>\$ 98,851</u>	<u>\$ 103,024</u>
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 22,810	\$ 25,255
Tax payable	434	448
Deferred revenue (Note 3)	6,397	6,831
Loan (Note 4(a))	1,676	2,982
Promissory note (Note 4(b))	290	2,396
Lease liability (Note 8)	792	841
Total current liabilities	32,399	38,753
Loan (Note 4(a))	-	1,779
Lease liability (Note 8)	4,454	4,602
Total liabilities	<u>36,853</u>	<u>45,134</u>
Shareholders' equity		
Share capital (Note 9)	80,778	78,157
Contributed surplus (Note 10)	2,833	3,132
Retained deficit	(21,952)	(24,798)
Accumulated other comprehensive income	339	1,399
Total shareholders' equity	<u>61,998</u>	<u>57,890</u>
Total liabilities and shareholders' equity	<u>\$ 98,851</u>	<u>\$ 103,024</u>

Contingencies – Note 15

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

KITS EYECARE LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in thousands of Canadian Dollars, except share and per share data)

(Unaudited)

	Share Capital		Contributed surplus	Retained earnings (deficit)	Accumulated other comprehensive income (loss)	Total
	Common shares					
	Shares	Amount				
Balance as at December 31, 2023	31,439,781	\$ 77,386	\$ 3,040	\$ (27,914)	\$ (1,066)	51,446
Share-based payments (Note 10)	-	-	931	-	-	931
RSR exercise (Note 9)	125,081	809	(809)	-	-	-
Shares issued due to options (Note 9)	11,667	46	(16)	-	-	30
Net income and comprehensive income	-	-	-	383	531	914
Balance as at September 30, 2024	31,576,529	\$ 78,241	\$ 3,146	\$ (27,531)	\$ (535)	\$ 53,321
Balance as at December 31, 2024	31,563,035	\$ 78,157	\$ 3,132	\$ (24,798)	\$ 1,399	57,890
Share-based payments (Note 10)	-	-	1,010	-	-	1,010
RSR exercise (Note 9)	104,872	936	(936)	-	-	-
Shares issued due to options (Note 9)	472,798	1,685	(373)	-	-	1,312
Net income and comprehensive income (loss)	-	-	-	2,846	(1,060)	1,786
Balance as at September 30, 2025	32,140,705	\$ 80,778	\$ 2,833	\$ (21,952)	\$ 339	\$ 61,998

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

KITS EYECARE LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of Canadian Dollars, except share and per share data)

(Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Operating activities				
Net Income	\$ 1,937	\$ 132	\$ 2,846	\$ 383
Items not affecting cash:				
Share-based payments (Note 10)	97	122	1,010	931
Depreciation of property and equipment and right-of-use assets (Note 7, 8)	607	605	1,835	1,598
Amortization of intangible assets (Note 14)	-	-	-	353
Finance costs	153	290	543	936
Income taxes	698	124	1,607	349
Unrealized foreign exchange (gain) loss	(98)	72	158	(123)
Gain on fixed asset disposal	(8)	-	(24)	-
Changes in non-cash operating working capital:				
Accounts and other receivables	(706)	(307)	(182)	(237)
Inventory	(1,700)	(764)	356	(1,680)
Prepays, deposits and other assets	(316)	1,129	(266)	52
Accounts payable and accrued liabilities	1,769	667	(2,445)	5,519
Deferred revenue	493	173	(434)	1,188
Income tax refund (paid)	26	(3)	14	(27)
Cash provided by operating activities	2,952	2,240	5,018	9,242
Financing activities				
Repayment of lease obligation (Note 8)	(311)	(302)	(940)	(884)
Repayment of loan (Note 4(a))	(784)	(909)	(3,301)	(2,809)
Repayment of promissory note (Note 4(b))	-	-	(2,122)	-
Proceeds from exercise of stock options	129	30	1,312	30
Cash used in financing activities	(966)	(1,181)	(5,051)	(3,663)
Investing activities				
Purchase of property and equipment net of disposal proceeds (Note 7)	(136)	(1,521)	(131)	(2,059)
Cash provided used in investing activities	(136)	(1,521)	(131)	(2,059)
Increase / (decrease) in cash and cash equivalents	1,850	(462)	(164)	3,520
Foreign exchange effect on cash and cash equivalents	(273)	300	585	(412)
Cash and cash equivalents, beginning of period	18,115	19,310	19,271	16,040
Cash and cash equivalents, end of period	\$ 19,692	\$ 19,148	\$ 19,692	\$ 19,148

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

KITS EYECARE LTD.**Notes to the Condensed Interim Consolidated Financial Statements**

(in thousands of Canadian Dollars, except share and per share data)

(Unaudited)

1. Nature of operations

Kits Eyecare Ltd. (the "Company" or "KITS") is vertically integrated, digitally native eyecare platform, with sales primarily in the United States and Canada. The Company was incorporated under the Business Corporations Act (British Columbia) on October 19, 2018 with its registered headquarters located at 1020 - 510 Seymour Street, Vancouver, BC, V6B 3J5.

The Company is listed on the Toronto Stock Exchange (the "TSX") under the symbol "KITS".

2. Basis of preparation and statement of compliance

The Company prepares its annual consolidated financial statements in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee. These condensed interim consolidated financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting (IAS 34).

These condensed interim consolidated financial statements should be read in conjunction with the Company's most recent annual consolidated financial statements for the year ended December 31, 2024, as some disclosures from the annual consolidated financial statements have been condensed or omitted. There are no IFRS or International Financial Reporting Interpretations Committee interpretations that are not yet effective that would be expected to have a material impact on the Company's condensed interim consolidated financial statements.

On November 4, 2025, the board of directors of the Company (the "Board") authorized these condensed interim consolidated financial statements for issuance.

Critical accounting estimates and judgements

In preparing these condensed interim consolidated financial statements management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant estimates and judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the most recent annual consolidated financial statements.

3. Segment information and deferred revenue

The Company operates in a single reportable operating segment, being the sale of eyewear products to consumers.

Geographic information

The Company determines the geographic location of revenue based on the location of its customers. For the three and nine months ended September 30, 2025, the US/CDN exchange rate appreciated by 1.0% and 2.7% (2024: 1.7% and 1.1%)

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
United States	\$ 33,941	\$ 28,546	\$ 98,325	\$ 78,429
Canada and other	18,451	13,325	50,242	36,076
Total	<u>\$ 52,392</u>	<u>\$ 41,871</u>	<u>\$ 148,567</u>	<u>\$ 114,505</u>

All of the Company's non-current assets are located in Canada.

Deferred revenue

Deferred revenue consists of unfulfilled orders of \$4,806 (December 31, 2024: \$5,422) and allowance for estimated returns of \$1,591 (December 31, 2024: \$1,409).

Revenue by product

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
Contact Lenses	\$ 45,315	\$ 36,189	\$ 127,581	\$ 99,251
Glasses	7,077	5,682	20,986	15,254
Total	\$ 52,392	\$ 41,871	\$ 148,567	\$ 114,505

4. Financial liabilities

(a) Loan

The Company entered into a secured loan agreement (the "BDC Loan") for \$23.4 million with BDC Capital Inc. ("BDC") on March 26, 2019, with a repayment date of April 15, 2026 and a monthly contractual principal payment of \$250. Effective as of January 15, 2021, this loan bears interest at the BDC floating rate plus a variance of 4.45% per annum and is payable on a monthly basis. As at September 30, 2025, the BDC floating rate was 6.80% (2024: 7.55%). The Company is required to make a one-time payment to BDC equal to 0.45% of the Company's annual gross sales at maturity. The BDC Loan is secured by a first ranking security interest in all present and after acquired personal property and all present and future intellectual property of the Company.

The Company is subject to various covenants under the BDC Loan, including requirements to maintain certain financial ratios. The BDC Loan is in compliance with all debt covenants as of the date hereof.

As at September 30, 2025, the carrying amount of the loan is \$1,676 (2024: \$4,761) and the principal amount owing is \$800 (2024: \$3,900). During the nine months ended September 30, 2025, the Company elected to make a one-time cash sweep payment of \$850 to BDC, in accordance with the terms of its loan agreement with BDC.

For the three and nine months ended September 30, 2025, the Company made repayments of \$784 and \$3,301 (2024: \$909 and \$2,809) and recognized \$47 and \$216 (2024: \$141 and \$489) of interest expense in finance costs. Interest expense is calculated by applying the effective interest rate of 10.25% (2024: 11.0%).

(b) Promissory note

On January 18, 2021, the Company issued a promissory note of \$2,412 (the "Promissory Note"). The Promissory Note bears no interest and matures on the earlier of January 31, 2026 or the date after the BDC loan has been repaid in full (the "Maturity Date"). Unpaid principal shall be payable in quarterly installments beginning on March 31, 2021 of \$121, subject to the consent of BDC. Any unpaid principal shall be payable in full upon the Maturity Date. No quarterly principal has been paid.

As at September 30, 2025, the carrying value of the Promissory Note is \$290 (2024: \$2,396). During the three and nine months ended September 30, 2025, a total principal of \$nil and \$2,122 (2024: \$nil and \$nil) was paid to the Promissory Note holders, with the consent of BDC. The Company recorded accretion expense of \$nil and

\$16 (2024: \$41 and \$121) in finance costs. Accretion expense is calculated by applying the effective interest rate of 8.00%.

5. Financial instruments and fair values

The Company characterizes fair value measurements using a hierarchy that prioritizes inputs depending on the degree to which they are observable. The three levels of the fair value hierarchy are as follows:

- Level 1: fair value measurements are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: fair value measurements are those derived from valuation techniques that include significant inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying value of cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these financial instruments. These financial instruments are classified as financial assets and liabilities at amortized cost.

There are no financial liabilities that are measured at fair value. The following table shows the carrying amounts and the fair values of financial liabilities, including their levels in the fair value hierarchy.

	September 30, 2025			December 31, 2024		
	Carrying value	Fair value measurement Level 2	Fair value measurement Level 3	Carrying value	Fair value measurement Level 2	Fair value measurement Level 3
Financial liabilities						
Loan	\$ 1,676	\$ 1,670	\$ -	\$ 4,761	\$ 4,677	\$ -
Promissory note	290	290	-	2,396	2,412	-
Total	<u>\$ 1,966</u>	<u>\$ 1,960</u>	<u>\$ -</u>	<u>\$ 7,157</u>	<u>\$ 7,089</u>	<u>\$ -</u>

During the three and nine months ended September 30, 2025, there have been no transfers of amounts between Level 1, Level 2, and Level 3 of the fair value hierarchy.

The classification of the financial instruments as well as their carrying values as at September 30, 2025 and December 31, 2024 is shown in the table below.

	September 30, 2025			December 31, 2024		
	Amortized cost (Financial asset)	Amortized cost (Financial liabilities)	Total	Amortized cost (Financial asset)	Amortized cost (Financial liabilities)	Total
Financial assets						
Cash and cash equivalents	\$ 19,692	\$ -	\$ 19,692	\$ 19,271	\$ -	\$ 19,271
Accounts and other receivables	2,542	-	2,542	2,198	-	2,198
Total financial assets	<u>\$ 22,234</u>	<u>\$ -</u>	<u>\$ 22,234</u>	<u>\$ 21,469</u>	<u>\$ -</u>	<u>\$ 21,469</u>
Financial liabilities						
Account payable and accrued liabilities	\$ -	\$ 22,810	\$ 22,810	\$ -	\$ 25,255	\$ 25,255
Loan	-	1,676	1,676	-	4,761	4,761
Promissory note	-	290	290	-	2,396	2,396
Total financial liabilities	<u>\$ -</u>	<u>\$ 24,776</u>	<u>\$ 24,776</u>	<u>\$ -</u>	<u>\$ 32,412</u>	<u>\$ 32,412</u>

Valuation techniques and significant unobservable inputs

To determine the fair value of financial liabilities at initial recognition, the Company considered the present value of expected payments, discounted using a risk-adjusted discount rate. As at September 30, 2025, none of the Company's financial liabilities are subsequently measured at fair value after initial recognition.

Capital management

The Company manages its capital, which consists of equity and long-term debt with the objectives of safeguarding sufficient net working capital over the annual operating cycle and providing sufficient financial resources to grow operations to meet long-term consumer demand. The Company prepares and updates its annual operational results based on the Company's short and long term objectives and monitors actual operating results compared to the forecast to ensure that there is sufficient capital on hand to grow its operations. The Board monitors the Company's capital management on a regular basis. The Company will continually assess the adequacy of the Company's capital structure and capacity and make adjustments within the context of the Company's strategy, economic conditions, and risk characteristics of the business.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise interest rate risk and foreign currency risk.

Interest rate risk

The Company is exposed to changes in interest rates on our cash and cash equivalents and loans. The Company's debt has a variable interest rate based on the BDC floating base rate plus a margin. As a result, the Company is exposed to interest rate risk due to fluctuations in the BDC floating base rate. The principal amount outstanding under the BDC Loan was \$800 as at September 30, 2025 (December 31, 2024: \$3,900) which currently bears interest at 10.25% (December 31, 2024: 11.00%). For the nine months ended September 30, 2025, a 1.0% increase in the floating interest rate would have increased interest paid by \$17 (December 31, 2024: \$50) and finance costs by \$16 (December 31, 2024: \$18).

Currency risk

The Company's and its subsidiary's functional currencies are the Canadian Dollar ("CAD") and the United States Dollar ("USD") respectively. The Company is exposed to fluctuations in the USD and the CAD relative to these functional currencies. The Company has not entered into any agreements or purchased any instruments to hedge possible currency risks at this time. The Company is exposed to the following currency risk as at September 30, 2025:

	September 30, 2025		December 31, 2024	
	USD	CAD	USD	CAD
Cash and cash equivalents	\$ -	\$ 3,961	\$ -	\$ 2,130
Accounts and other receivables	-	1,684	2	1,738
Accounts payable and accrued liabilities	2	(10,532)	-	(11,142)
Total	\$ 2	\$ (4,887)	\$ 2	\$ (7,274)

A 10% strengthening in the Canadian dollar against the U.S. dollar on net monetary accounts would, with all other variables being constant, have an approximately unfavorable impact of \$444 (December 31, 2024: \$661) on net income.

Credit risk

Credit risk refers to the possibility that the Company can suffer financial losses due to the failure of the Company's counterparties to meet their payment obligations. The Company is exposed to minimal credit risk. The Company does not extend credit to customers, but do have some receivables exposure with respect to payment processors transferring customer funds to the Company and to rebates receivable from the

Company's vendors. The majority of accounts receivables are settled in under 30 days. In order to reduce this risk, the Company uses industry leading payment processors, including Braintree Payment Gateway, American Express, PayPal and Shopify. The Company deposits its cash and cash equivalents with major financial institutions that have been assigned high credit ratings by internationally recognized credit rating agencies. As such, exposure to customer credit risk is nominal (2024: nominal).

Liquidity risk

Liquidity risk is the risk that we cannot meet a demand for cash or fund our obligations as they come due. The Company manage liquidity risk by continuously monitoring actual and projected cash flows, taking into account the seasonality of the Company's revenue, income and working capital needs. The following table summarizes the amount of contractual undiscounted future cash flow requirements as September 30, 2025.

September 30, 2025

Contractual obligations	Carrying amount	Contractual cash flows	Less than 1 year	1-3 years	4-5 years	After 5 years
Accounts payable and accrued liabilities	\$ 22,810	\$ 22,810	\$ 22,810	\$ -	\$ -	\$ -
Loan - Principal amount	1,676	1,700	1,700	-	-	-
Loan - Interest	-	15	15	-	-	-
Promissory note	290	290	290	-	-	-
	<u>\$ 24,776</u>	<u>\$ 24,815</u>	<u>\$ 24,815</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

6. Inventory

As at September 30, 2025, inventory comprised of \$13,668 (2024: \$15,540) of contact lenses, \$6,667 (2024: \$5,315) of frames, prescription lenses of \$1,267 (2024: \$1,196), and other miscellaneous inventory of \$529 (2024: \$436).

7. Property and equipment

During the nine months ended September 30, 2025, the Company had property and equipment additions of \$211 (2024: \$3,120), disposed of \$56 (2024: \$nil) of property and equipment, recognized depreciation expense of \$1,098 (2024: \$940) and recorded \$141 (2024: \$33) exchange differences. The Company received \$80 (2024: \$nil) of cash proceeds from disposal. \$nil (2024: \$1,061) of property and equipment addition remains unpaid.

8. Leases

During the nine months ended September 30, 2025, the Company had \$431 (2024: \$318) of lease liability additions, paid \$940 (2024: \$884) of lease payments, recognized \$310 (2024: \$325) of accretion expense, and \$2 (2024: \$nil) of foreign exchange differences.

During the nine months ended September 30, 2025, the Company had \$431 (2024: \$318) of right-of-use asset additions, recognized depreciation expense of \$737 (2024: \$658) and incurred \$186 (2024: \$134) of exchange differences.

9. Share capital

During the nine months ended September 30, 2025, 104,872 (2024: 125,081) vested restricted shares rights ("RSRs") were delivered to its management, employees and directors and 472,798 options (2024: 11,667) were exercised at a weighted average exercise price of \$2.78 (2024: \$2.58).

10. Share-based compensation

During the nine months ended September 30, 2025, the Company granted 14,101 (2024: 23,035) restricted shares rights ("RSRs") to its directors which vest immediately upon grant and 88,247 (2024: 97,431) RSRs to its management and employees that vested on June 30, 2025. The RSRs have a weighted fair value of \$9.15 (2024: \$6.70) which is the Company's average share price for the period the services were provided. As at September 30, 2025, the Company has a total 3,465 (2024: 5,706) of outstanding RSRs, which are fully vested.

During the nine months ended September 30, 2025, 1,000 (2024: 53,500) stock options were forfeited at a weighted average exercise price of \$2.48 (2024: \$7.77). A total of 472,798 (2024: 11,667) stock options were exercised at a weighted average exercise price of \$2.78 (2024: \$2.58). As at September 30, 2025, the Company has a total of 2,199,542 (2024: 2,657,473) of stock options outstanding with a weighted average exercise price of \$3.07 (2024: \$2.90) and a weighted average remaining contractual life of 1.58 years (2024: 2.54 years), comprising of 2,170,543 (2024: 2,490,112) of exercisable stock options with a weighted average exercise price of \$2.91 (2024: \$2.92).

Share-based compensation expense related to stock options and RSRs of \$97 and \$1,010 (2024: \$122 and \$931) was recorded for the three months and nine months ended September 30, 2025, respectively.

11. Related party transactions

During the three and nine months ended September 30, 2025, the Company recorded \$31 and \$93 (2024: \$31 and \$93) of Board fees to its directors and \$56 and \$169 (2024: \$56 and \$169) of share-based compensation. \$31 of Board fees remain unpaid as at September 30, 2025.

Key management compensation

Key management consists of the directors and officers of the company. Key management compensation comprises of wages and employee benefits. For the three and nine months ended September 30, 2025, the Company paid \$446 and \$1,318 (2024: \$479 and \$1,385) of wages and employee benefits to key management and recorded \$40 and \$644 (2024: \$19 and \$640) of key management share-based expense.

12. Income taxes

The Company calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of income for the three and nine months ended September 30, 2025 comprises of current income tax expense (recovery) of \$7 and \$19 (2024: \$(4) and \$79) and deferred income tax expense of \$691 and \$1,588 (2024: \$128 and \$270).

As at September 30, 2025, deferred tax assets consist of available non-capital losses and other tax deductions of \$4,272 (2024: \$6,378), net of deferred tax liability arising from property and equipment, right of use assets and net of lease liability of \$870 (2024: \$1,140), intangible assets of \$83 (2024: \$84), promissory note of \$nil (2024: \$4), and foreign exchange of \$291 (2024: \$393). The Company has non-capital losses of approximately \$14,031 (2024: \$21,241) that can be applied against future years' taxable income for Canadian income tax purposes. The Company has recognized these losses as a deferred income tax asset as it expects to utilize these losses against future taxable income.

13. Income per share

For the three and nine months ended September 30, 2025, the weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share includes the 2,039,842 (2024: 2,318,402) and 2,001,755 (2024: 2,219,247) share equivalents of the vested options. There is

no change to the net income attributable to ordinary shareholders (diluted) for the three and nine months ended September 30, 2025.

14. Goodwill and intangible assets

During the nine months ended September 30, 2025, the Company recognized \$nil (2024: \$353) of amortization expenses, and \$1,348 (2024: \$797) of exchange differences. The Company exercises judgement to determine whether there is an impairment indicator requiring an impairment test for its goodwill and indefinite life intangible assets to be completed. As at September 30, 2025, no impairment indicators exist.

15. Contingencies

The Company is, from time to time, involved in various claims, legal proceedings and complaints arising in the ordinary course of business. The Company does not believe that adverse decisions in any pending or threatened proceedings, or any amount it may be required to pay by reason thereof, will have a material adverse effect on the financial condition or future results of operations of the Company.