INVENTRONICS LIMITED

2025 FIRST QUARTER

UNAUDITED FINANCIAL STATEMENTS

For the periods ended March 31, 2025 and 2024

INVENTRONICS LIMITED
FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION

As at *(in thousands)*	March 31 2025 Unaudited	December 31 2024 Audited
ASSETS		
Current		
Cash	$ 454	$ 836
Trade receivables *[Note 5]*	1,413	536
Inventories *[Note 6]*	999	966
Income taxes recoverable	27	100
Other current assets	44	31
	2,937	2,469
Non-current		
Property, plant and equipment	3,218	3,244
Total Assets	$ 6,155	$ 5,713
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Trade and other payables *[Note 8]*	$ 1,065	$ 747
Current portion of long-term debt *[Note 9]*	190	186
	1,255	933
Non-current liabilities		
Deferred tax liabilities	250	263
Long-term debt *[Note 9]*	2,200	2,250
Total Liabilities	3,705	3,446
Shareholders' equity		
Share capital *[Note 10]*	1,337	1,337
Contributed surplus	366	366
Retained earnings	747	564
Total Shareholders' Equity	2,450	2,267
Total Liabilities and Shareholders' Equity	$ 6,155	$ 5,713

See accompanying notes

INVENTRONICS LIMITED
FINANCIAL STATEMENTS
STATEMENT OF COMPREHENSIVE INCOME
Unaudited

For the three months ended March 31 ***(in thousands, except per share amounts)***	**2025**	**2024**
Revenue	$ 2,427	$ 1,444
Cost of sales *[Note 6]*	1,884	1,246
Gross profit	543	198
Selling and administration expense	265	150
Interest expense	35	38
Earnings, before income tax	243	10
Income tax	60	2
Net earnings and comprehensive income	$ 183	$ 8
Basic & diluted earnings per share *[Note 11]*	3.8¢	0.2¢

See accompanying notes

INVENTRONICS LIMITED
FINANCIAL STATEMENTS
STATEMENT OF CASH FLOWS
Unaudited

For the three months ended March 31
(in thousands)

	2025	2024
OPERATING ACTIVITIES		
Net earnings	$ 183	$ 8
Add:		
Interest on long-term debt	35	37
Depreciation	44	47
Other items not involving cash	(13)	2
	249	94
Changes in non-cash working capital balances *[Note 12]*	(532)	(185)
Cash provided (used) by operating activities	(283)	(91)
FINANCING ACTIVITIES		
Repayment of long-term debt *[Note 9]*	(45)	(43)
Interest on long-term debt	(35)	(37)
Issuance of share capital	-	-
Cash provided (used) by financing activities	(80)	(80)
INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(19)	(59)
Cash provided (used) by investing activities	(19)	(59)
Increase (decrease) in cash and cash equivalents	(382)	(230)
Cash and cash equivalents, beginning of the year	836	933
Cash and cash equivalents, end of the period	$ 454	$ 703

See accompanying notes

INVENTRONICS LIMITED
FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY
Unaudited

(in thousands)	Share capital	Contributed surplus	Accumulated Deficit	Total Shareholders' equity
Balance, December 31, 2023	$ 1,337	$ 364	$ 1,113	$ 2,814
Option expense	-	2	-	2
Net earnings for the three months ended March 31, 2024	-	-	8	8
Balance, March 31, 2024	$ 1,337	$ 366	$ 1,121	$ 2,824

Balance, December 31, 2024	$ 1,337	$ 366	$ 564	$ 2,267
Option expense	-	-	-	-
Net earnings for the three months ended March 31, 2025	-	-	183	183
Balance, March 31, 2025	$ 1,337	$ 366	$ 747	$ 2,450

See accompanying notes

1. DESCRIPTION OF BUSINESS

Inventronics Limited ("Corporation"), a corporation publicly traded on the TSX Venture Exchange under the symbol IVX is an individual entity incorporated in Alberta, Canada that is not part of any group of other entities. The Corporation, with its operations located in Brandon, Manitoba, designs and manufactures protective enclosures and related products for the telecommunication, cable, electric distribution, energy, and other industries in Canada and the United States.

2. DATE OF AUTHORIZATION FOR ISSUE

The Corporation's financial statements were authorized for issue on May 27, 2025 by the Corporation's Board of Directors.

3. MATERIAL ACCOUNTING POLICY INFORMATION

These unaudited interim financial statements of the Corporation have been prepared by management in accordance with IFRS® Accounting Standards ("IFRS") using accounting policies and methods applied in the preparation of the Corporation's audited annual financial statements for the year ended December 31, 2024. As such, these interim financial statements do not include all disclosures with respect to the requirements under IFRS for annual financial statements and thus should be read in conjunction with the Corporation's 2024 audited annual financial statements. The accounting principles applied are on the basis that the Corporation is a going concern, which assumes that the Corporation will continue operations into the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Management routinely plans future activities including forecasting cash flows using detailed projections that are based in part on historical experience as well as anticipated revenue and profit streams. All amounts in these financial statements are reported in Canadian dollars unless specifically stated to the contrary.

4. ADOPTION OF NEW ACCOUNTING STANDARDS

Accounting pronouncements that became effective during the period covered by these unaudited interim financial statements did not have a material impact on the Corporation's reporting. Likewise, accounting pronouncements issued, but not effective until after March 31, 2025, are not expected to have a material impact on the Corporation's financial statements.

5. TRADE AND OTHER RECEIVABLES

As at *(in thousands)*	**March 31 2025**	**December 31 2024**
Trade receivables	$ 1,413	$ 536

At March 31, 2025, based on management's review, no provision for doubtful accounts was recorded (2024 - $Nil).

6. INVENTORIES

As at *(in thousands)*	**March 31 2025**	**December 31 2024**
Raw materials	$ 816	$ 800
Work-in-progress	109	16
Finished goods	74	150
	$ 999	$ 966

For the three months ended March 31, 2025, the Corporation expensed inventory costs of $1,453 (March 31, 2024 - $916) through cost of sales. At March 31, 2025, the provision for net realizable value was $30 (December 31, 2024 - $44).

7. BANK CREDIT FACILITIES

The Corporation has a demand operating credit facility in the form of an overdraft lending account which provides an authorized limit of $1,200 with an interest rate of prime plus 0.90% (December 31, 2024 – prime plus 0.90%) for an effective rate of 5.85% (December 31, 2024 – 6.35%). At March 31, 2025, an amount of $1,200 under this facility was available, of which $Nil was drawn (March 31, 2024 - $1,200 available and $Nil was drawn). The credit facility does not contain any financial covenants and is secured by a general security agreement over accounts receivable and inventory balances. The Corporation also has an equipment financing facility in the amount of $1,500 (December 31, 2024 - $1,500), to be used when necessary to finance equipment additions.

8. TRADE AND OTHER PAYABLES

As at *(in thousands)*	**March 31 2025**	**December 31 2024**
Trade payables and other accrued expenses	$ 765	$ 462
Payroll accruals	281	282
Government remittances payable	19	3
	$ 1,065	$ 747

9. LONG-TERM DEBT

As at *(in thousands)*	**March 31 2025**	**December 31 2024**
Fixed rate mortgage bearing interest of 5.25% until April 2034; maturing in 2043; repayable monthly in blended principal and interest installments of $14; secured by a first mortgage on the Corporation's manufacturing facility and land in Brandon, Manitoba, a general security agreement providing a security interest in all of the Corporation's present and after acquired personal property but accepting a subordinate position to all existing registered charges.	$ 1,912	$ 1,927
Fixed rate equipment loan bearing interest of 7.5% and maturing in September 2028; repayable monthly in blended principal and interest installments of $13; secured by a first claim on the financed equipment.	479	509
	2,391	2,436
Less: Current portion of long-term debt	190	186
Long-term portion of long-term debt	$ 2,201	$ 2,250

Although containing general performance conditions, the loan agreements do not contain any financial covenants that must be periodically tested. The Corporation is in compliance with all obligations pertaining to these agreements. The fair value of these loans approximate their carrying values.

10. SHARE CAPITAL

An unlimited number of common shares, with no par value, are authorized for issue. The authorized, issued and outstanding common shares of the Corporation, which are fully paid, are as follows:

For the *(dollar amounts in thousands)*	**Three months ended March 31, 2025**		**Twelve months ended December 31, 2024**	
	Number of shares	Amount	Number of shares	Amount
Outstanding, beginning of period	4,871,145	$ 1,337	4,871,145	$ 1,337
Options exercised	-	-	-	-
Outstanding, end of period	4,871,145	$ 1,337	4,871,145	$ 1,337

Stock option plan

Inventronics maintains a stock option plan providing the Corporation the ability to grant options to employees and directors to purchase one common share of the Corporation per option. At March 31, 2025, there were 50,000 options outstanding with an exercise price of $1.65 per share (December 31, 2024 – 50,000). Subsequent to the first quarter, on May 20th 2025, there were 430,000 options granted to senior management and directors at an exercise price of $0.45 per share, expiring in five years from the grant date, and vesting over the next two years.

INVENTRONICS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the periods ended March 31, 2025 and 2024
Unaudited

11. EARNING PER SHARE

For the three months ended March 31 *(in thousands, except per share amounts)*	**2025**	**2024**
Net earnings	$ 183	$ 8
Weighted average common shares outstanding	4,871,145	4,871,145
Basic & diluted earnings per share	3.8¢	0.2¢

12. SUPPLEMENTARY CASH FLOW INFORMATION

For the three months ended March 31 *(in thousands)*	**2025**	**2024**
Changes in non-cash working capital balances:		
Trade receivables	$ (877)	$ (339)
Inventories	(33)	(85)
Other current assets	(13)	(16)
Trade and other payables	391	255
	$ (532)	$ (185)

13. RELATED PARTY TRANSACTIONS

The four-person senior management team are members of Inventronics' Board of Directors ("Board") and receive no compensation for their service as Board members. The Corporation pays fixed and variable compensation to its senior management team for their employment services. For the quarter ended March 31, 2025, the Corporation expensed $232 (2024 - $122) related to those compensation arrangements.