ACADIAN TIMBER CORP.

INTERIM CONDENSED CONSOLIDATED

FINANCIAL STATEMENTS

SEPTEMBER 27, 2025

INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

(unaudited)

As at *(CAD thousands)*	Note	**September 27, 2025**	December 31, 2024
Assets			
Current assets			
Cash and cash equivalents		**$ 2,426**	$ 15,250
Accounts receivable and other assets		**8,098**	8,576
Current income taxes receivable		**736**	—
Inventories	4	**2,145**	2,094
		13,405	25,920
Timber	5	**472,801**	471,890
Land, roads, and other fixed assets	6	**110,215**	104,067
Intangible asset		**6,239**	6,140
Total assets		**$ 602,660**	$ 608,017
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable and accrued liabilities		**$ 9,237**	$ 10,922
Current income taxes payable		**—**	229
Dividends payable to shareholders		**5,256**	5,126
Current portion of long-term debt	7	**715**	46,045
		15,208	62,322
Long-term debt	7	**112,036**	68,896
Deferred income tax liabilities, net		**137,042**	137,770
Total liabilities		**264,286**	268,988
Shareholders' equity	8	**338,374**	339,029
Total liabilities and shareholders' equity		**$ 602,660**	$ 608,017

See accompanying notes to interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF NET INCOME

(unaudited)

		Three Months Ended		Nine Months Ended	
(CAD thousands, except per share data)	Note	**September 27, 2025**	September 28, 2024	**September 27, 2025**	September 28, 2024
Sales	10	**$ 23,017**	$ 25,959	**$ 64,980**	$ 95,959
Operating costs and expenses					
Cost of sales	10	**16,629**	18,306	**45,427**	63,413
Selling, administration and other		**2,011**	2,567	**8,391**	10,671
Silviculture		**1,421**	1,187	**2,087**	1,431
		20,061	22,060	**55,905**	75,515
Operating income		**2,956**	3,899	**9,075**	20,444
Interest expense, net		**(1,049)**	(654)	**(2,934)**	(2,400)
Other items					
Fair value adjustments and other		**1,192**	(92)	**5,554**	4,991
Gain on sale of timberlands and other fixed assets		**—**	1	**158**	203
Income before income taxes		**3,099**	3,154	**11,853**	23,238
Income tax expense	12	**(171)**	(939)	**(2,600)**	(7,085)
Net income		**$ 2,928**	$ 2,215	**$ 9,253**	$ 16,153
Net income per share – basic and diluted		**$ 0.16**	$ 0.13	**$ 0.51**	$ 0.93

See accompanying notes to interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(unaudited)

	Three Months Ended		Nine Months Ended	
(CAD thousands)	**September 27, 2025**	September 28, 2024	**September 27, 2025**	September 28, 2024
Net income	**$ 2,928**	$ 2,215	**$ 9,253**	$ 16,153
Other comprehensive income				
Items that may be reclassified subsequently to net income:				
Unrealized foreign currency translation gain / (loss)	**1,299**	(752)	**(2,044)**	1,619
Comprehensive income	**$ 4,227**	$ 1,463	**$ 7,209**	$ 17,772

See accompanying notes to interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(unaudited)

Nine Months Ended September 27, 2025 (CAD thousands)	Note	Common Share Capital	Retained Earnings	Revaluation Surplus	Currency Translation	Shareholders' Equity
Balances as at December 31, 2024		**$ 156,267**	**$ 113,103**	**$ 38,666**	**$ 30,993**	**$ 339,029**
Changes during the period						
Net income		—	**9,253**	—	—	**9,253**
Other comprehensive loss		—	—	—	**(2,044)**	**(2,044)**
Dividends to shareholders	13	—	**(15,637)**	—	—	**(15,637)**
Common shares issued - DRIP	8	**7,773**	—	—	—	**7,773**
Balances as at September 27, 2025		**$ 164,040**	**$ 106,719**	**$ 38,666**	**$ 28,949**	**$ 338,374**

Nine Months Ended September 28, 2024 (CAD thousands)	Note	Common Share Capital	Retained Earnings	Revaluation Surplus	Currency Translation	Shareholders' Equity
Balances as at December 31, 2023		$ 147,618	$ 111,624	$ 33,867	$ 25,873	$ 318,982
Changes during the period						
Net income		—	16,153	—	—	16,153
Other comprehensive gain		—	—	—	1,619	1,619
Dividends to shareholders	13	—	(15,128)	—	—	(15,128)
Common shares issued - DRIP	8	6,134	—	—	—	6,134
Balances as at September 28, 2024		$ 153,752	$ 112,649	$ 33,867	$ 27,492	$ 327,760

See accompanying notes to interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)

(CAD thousands)		**Three Months Ended**		**Nine Months Ended**	
Cash provided by (used for):	Note	**September 27, 2025**	September 28, 2024	**September 27, 2025**	September 28, 2024
Operating activities					
Net income		**$ 2,928**	$ 2,215	**$ 9,253**	$ 16,153
Adjustments to net income:					
Income tax expense		**171**	939	**2,600**	7,085
Depreciation and amortization		**552**	139	**1,369**	369
Fair value adjustments and other		**(1,192)**	92	**(5,554)**	(4,991)
Non-cash cost of sales related to carbon credits		**—**	—	**—**	14,178
Gain on sale of timberlands and other fixed assets		**—**	(1)	**(158)**	(203)
Income taxes refunded (paid)		**103**	(676)	**(2,904)**	(2,919)
Net change in non-cash working capital balances and other		**117**	2,342	**(2,405)**	1,955
		2,679	5,050	**2,201**	31,627
Financing activities					
Proceeds from equipment loan		**—**	—	**2,189**	—
Proceeds from short-term debt		**—**	—	**—**	10,298
Repayment of short-term debt		**—**	—	**—**	(10,298)
Mandatory debt repayments		**(178)**	—	**(398)**	—
Dividends paid to shareholders		**(2,592)**	(2,588)	**(7,773)**	(8,900)
		(2,770)	(2,588)	**(5,982)**	(8,900)
Investing activities					
Business acquisition	3	**—**	—	**(6,510)**	—
Additions to timber, land, roads, and other fixed assets		**(148)**	(292)	**(3,138)**	(10,157)
Proceeds from sale of timberlands and other fixed assets		**19**	1	**605**	218
		(129)	(291)	**(9,043)**	(9,939)
Increase / (Decrease) in cash and cash equivalents during the period		**(220)**	2,171	**(12,824)**	12,788
Cash and cash equivalents, beginning of period		**2,646**	12,448	**15,250**	1,831
Cash and cash equivalents, end of period		**$ 2,426**	$ 14,619	**$ 2,426**	$ 14,619

See accompanying notes to interim condensed consolidated financial statements.

Details of the net change in non-cash working capital balances and other:

(CAD thousands)	**Three Months Ended**		**Nine Months Ended**	
	September 27, 2025	September 28, 2024	**September 27, 2025**	September 28, 2024
Accounts receivable and other assets	**$ 232**	$ (2,849)	**$ 478**	$ (1,193)
Inventory	**(924)**	182	**(51)**	(434)
Accounts payable and accrued liabilities	**503**	5,286	**(1,684)**	3,299
Other	**306**	(277)	**(1,148)**	283
	$ 117	$ 2,342	**$ (2,405)**	$ 1,955

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(unaudited) (All figures in Canadian dollars unless otherwise stated)

1. GENERAL

Acadian Timber Corp. (the "Company") is governed by the *Canada Business Corporations Act* pursuant to articles of arrangement dated January 1, 2010. The Company is a reporting issuer and its common shares are publicly traded on the Toronto Stock Exchange under the stock symbol "ADN". The principal and head office of the Company is located at 6 Crabtree Ave., Edmundston, New Brunswick, E3V 3K5.

The Company and all of its consolidated subsidiaries (collectively "Acadian") own and manage approximately 775,000 acres of freehold timberlands in New Brunswick ("New Brunswick Timberlands") and approximately 300,000 acres of freehold timberlands in Maine ("Maine Timberlands") and provide timber services relating to approximately 1.3 million acres of Crown licensed timberlands in New Brunswick ("Crown Lands"). Acadian's primary business is forest management and the production of timber products, including softwood and hardwood sawlogs, pulpwood, and biomass by-products, sold to approximately 90 regional customers. Acadian also generates income through other operations, including real estate and environmental solutions.

Acadian's operations are subject to seasonal variations and, as a result, operating results vary from quarter to quarter. Harvesting activity can be compromised by inaccessibility to some sites during wet seasons, resulting in decreased harvest levels. Results of one quarter will not be indicative of results that may be achieved in other quarters or for the full year.

As at September 27, 2025, Macer Forest Holdings Inc. ("Macer") owns 9,083,085 shares representing approximately 50% of the outstanding shares of the Company and is the ultimate parent entity of the Company.

2. MATERIAL ACCOUNTING POLICIES

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB") and using the accounting policies adopted and disclosed in Note 2 of Acadian's audited 2024 consolidated financial statements, except as included below under "Business combinations". These interim condensed consolidated financial statements should be read in conjunction with Acadian's audited annual consolidated financial statements for the fiscal year ended December 31, 2024.

These unaudited interim condensed consolidated financial statements were authorized for issuance by the Board of Directors of Acadian on October 29, 2025.

Business combinations

The acquisition method is applied in accounting for business combinations. The consideration transferred is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued, if any, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in an acquired entity, and the acquisition-date fair value of any previous equity interest in an acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly in profit or loss as a bargain purchase.

Critical Judgments and Estimates

The preparation of consolidated financial statements requires management to make critical judgments, estimates and assumptions that affect the carrying amounts of certain assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses recorded during the periods. These estimates and judgments have been applied in a manner consistent with the disclosure included in Note 2 of Acadian's audited 2024 consolidated financial statements, except for the estimation of fair value of assets acquired as part of the business acquisition described in Note 3.

3. BUSINESS ACQUISITION

On February 28, 2025, Acadian acquired certain logging and related assets of A & A Brochu, LLC ("A & A Brochu") and its affiliates for total cash consideration of $6.9 million with the objective of increasing production capacity and reducing operating costs in Maine. The assets include harvesting, trucking and road working equipment and related real estate which, combined with an established workforce, constitute a portion of A & A Brochu's logging operation in Maine. Management has determined that the acquired set of inputs and processes constitutes a business.

Recognized amounts of identifiable assets acquired are as follows:

(CAD thousands)		
Equipment	**$**	**5,235**
Land and buildings		**1,461**
Intangible assets		**234**
Total identifiable assets acquired	**$**	**6,930**

The fair values are provisional, pending completion of a detailed inventory and fair value assessment of all assets acquired. No liabilities were assumed. Fair values for tangible assets were estimated using market prices for similar items when available and depreciated cost when appropriate. Fair values for intangible assets were estimated based on the present value of net cash flows expected to be generated.

Acquisition-related costs of $0.2 million are included in selling, administration and other expenses in the consolidated statements of net income, and in operating activities in the consolidated statements of cash flows for the nine months ended September 27, 2025. A hold back in the amount of $0.4 million is held by Acadian to secure any payment or indemnification obligations of the seller for a period of up to eighteen months.

4. INVENTORIES

As at (CAD thousands)		**September 27, 2025**		December 31, 2024
Log inventory	**$**	**1,265**	$	1,837
Carbon credits		**249**		257
Other		**631**		—
Total	**$**	**2,145**	$	2,094

5. TIMBER

(CAD thousands)		
Balance as at December 31, 2023	**$**	**442,830**
Additions		6,741
Disposals		(703)
Gains arising from growth		33,136
Reduction arising from harvest		(26,097)
Gain from fair value adjustment and other changes		2,692
Foreign exchange		13,291
Balance as at December 31, 2024	**$**	**471,890**
Additions		—
Disposals		(80)
Gains arising from growth		23,186
Reduction arising from harvest		(17,014)
Foreign exchange		(5,181)
Balance as at September 27, 2025	**$**	**472,801**

Timber is measured at fair value. During the year, adjustments are made to standing timber assets to reflect the change in fair value due to gains arising from growth and reductions arising from harvest. Average selling price less costs of harvesting and selling is applied to expected volume growth to calculate gains arising from growth, and to the harvested volume to calculate reductions arising from harvest. On an annual basis, the fair value of standing timber assets is reassessed with the assistance of licensed independent third-party appraisers. Fair value adjustments are recognized in net income.

6. LAND, ROADS AND OTHER FIXED ASSETS

(CAD thousands)	Land	Roads	Bridges and Pavement	Other	Total
Cost					
Balance as at December 31, 2023	$ 77,183	$ 9,426	$ 5,982	$ 3,054	$ 95,645
Additions	2,392	52	96	1,218	3,758
Disposals	(107)	—	—	—	(107)
Foreign exchange	2,847	482	268	84	3,681
Revaluations	6,400	222	—	—	6,622
Balance as at December 31, 2024	$ 88,715	$ 10,182	$ 6,346	$ 4,356	$ 109,599
Additions	206	—	27	2,628	2,861
Business acquisition (Note 3)	22	—	—	6,616	6,638
Disposals	(11)	—	—	(333)	(344)
Foreign exchange	(1,387)	(251)	(103)	(34)	(1,775)
Balance as at September 27,2025	**$ 87,545**	**$ 9,931**	**$ 6,270**	**$ 13,233**	**$ 116,979**
Accumulated Depreciation					
Balance as at December 31, 2023	$ —	$ —	$ (2,815)	$ (1,976)	$ (4,791)
Depreciation	—	—	(159)	(358)	(517)
Foreign exchange	—	—	(174)	(50)	(224)
Balance as at December 31, 2024	$ —	$ —	$ (3,148)	$ (2,384)	$ (5,532)
Depreciation	—	—	(105)	(1,216)	(1,320)
Foreign exchange	—	—	69	20	88
Balance as at September 27,2025	**$ —**	**$ —**	**$ (3,184)**	**$ (3,580)**	**$ (6,764)**
Carrying Amounts					
As at December 31, 2024	$ 88,715	$ 10,182	$ 3,198	$ 1,972	$ 104,067
As at September 27, 2025	**$ 87,545**	**$ 9,931**	**$ 3,086**	**$ 9,653**	**$ 110,215**

7. LONG-TERM DEBT

(CAD thousands) *As at*	**September 27, 2025**	December 31, 2024
Term facilities	**$ 111,528**	$ 115,112
Equipment loan	**1,735**	—
	113,263	115,112
Less:		
Deferred debt issuance costs	**(512)**	(171)
Net long-term debt	**$ 112,751**	$ 114,941
Less:		
Current portion	**(715)**	(46,045)
Net long-term debt, long-term portion	**$ 112,036**	$ 68,896

Acadian has term credit facilities with MetLife Insurance Company, with maturity dates ranging from March 6, 2027 to March 6, 2030. These credit facilities include a revolving credit facility of up to U.S. $10.0 million (the "Revolving Facility") for general corporate purposes and term credit facilities of U.S. $80 million (the "Term Facilities"). The Term Facilities bear interest at rates ranging from 2.7% to 5.3%. The Revolving Facility bears interest at floating rates based on the Secured Overnight Financing Rate plus applicable margin. Floating interest rates give rise to interest rate risk as net income and cash flows may be negatively impacted by fluctuations in interest rates. There are no scheduled repayments of principal required prior to the maturity dates of the Term Facilities.

On March 6, 2025, U.S.$32.0 million of the term loan matured and was refinanced under essentially the same terms as the existing facilities, and with a maturity date of March 6, 2030 and an interest rate of 5.3%.

As at September 27, 2025, Acadian had borrowed U.S.$80 million (December 31, 2024 – U.S. $80.0 million) under the Term Facilities and U.S. $nil (December 31, 2024 – U.S. $nil) under the Revolving Facility. U.S.$2.3 million of the Revolving Facility is reserved to support the minimum cash balance requirement of the Term Facilities. As security for these facilities, Acadian granted the lenders a security interest over all of its assets. The facilities are subject to customary terms and conditions for borrowers of this nature, including limits on incurring additional indebtedness and granting liens or selling assets without the consent of the lenders. The credit facilities are also subject to the maintenance of a maximum loan-to-value ratio. Acadian is in compliance with all covenants as at September 27, 2025 and December 31, 2024.

Acadian has a $2.0 million Canadian dollar denominated revolving credit facility with a major Canadian bank for general corporate purposes. This facility bears interest at floating rates based on bank prime rates plus applicable margin and is due on demand. No amounts were drawn on this facility as at September 27, 2025 or December 31, 2024.

On January 2, 2025 Acadian entered into an equipment financing agreement in the amount of U.S.$1.5 million which bears interest at 2.5% and is repayable in monthly principal and interest instalments over 3 years. The related equipment has been pledged as security.

The fair value of the Term Facilities as at September 27, 2025 is $106.0 million (December 31, 2024 – $110.2 million). The fair value of the Term Facilities is determined using the discounted cash flow approach and is measured under Level 2 of the fair value hierarchy. Future cash flows are estimated based on the terms under the Term Facilities and discounted at a rate reflecting appropriate market fundamentals relating to the debt. The carrying value of the equipment loan is assumed to reasonably approximate fair value given the recent timing of the agreement and lack of significant changes in underlying market conditions.

8. SHAREHOLDERS' EQUITY

Acadian is authorized to issue an unlimited number of common shares. The common shares have no stated par value.

Acadian has in place a dividend reinvestment plan ("DRIP") whereby Canadian resident shareholders may elect to automatically have their dividends reinvested in additional shares. Shares issued under the DRIP are issued directly from the treasury of the Company at a price equal to the volume-weighted average trading price of the Company's shares on the TSX for the five trading days immediately preceding the relevant dividend payment date, which is typically on or about the 15th of April, July, October and January. During the quarter, Acadian issued 146,490 common shares in accordance with the DRIP.

The Company's issued and outstanding common shares are as follows:

(CAD thousands except share data)	**Number of Shares**	**Share Capital**
Balance as at December 31, 2024	17,675,687	$ 156,267
Common shares issued – DRIP	447,516	7,773
Balance as at September 27, 2025	**18,123,203**	**$ 164,040**

9. NET INCOME PER SHARE

Basic net income per share is calculated by dividing net income attributable to common shareholders by the weighted average number of common shares outstanding during the period. There are no dilutive potential shares.

	Three Months Ended		Nine Months Ended	
	September 27, 2025	September 28, 2024	**September 27, 2025**	September 28, 2024
Weighted average number of common shares – basic and diluted	**18,095,837**	17,511,464	**18,016,862**	17,432,390

10. SEGMENTED INFORMATION

Acadian's presentation of reportable segments is based on how management has organized the business in making operating and capital allocation decisions and assessing performance. Acadian has three reportable segments: New Brunswick Timberlands, Maine Timberlands and Environmental Solutions. The Environmental Solutions segment includes business activities related to the development and sale of voluntary carbon credits.

The material accounting policies followed for the segments are consistent with those described in Note 2. Adjusted EBITDA is used to evaluate the operational performance of reportable segments. Adjusted EBITDA is defined as net income before interest, income taxes, fair value adjustments, non-cash cost of sales related to carbon credits, recovery of or impairment of land and roads, and depreciation and amortization.

Sales, Cost of sales and Adjusted EBITDA by reportable segment are as follows:

	Three Months Ended		Nine Months Ended	
(CAD thousands)	**September 27, 2025**	September 28, 2024	**September 27, 2025**	September 28, 2024
Sales				
New Brunswick Timberlands				
Softwood	**$ 11,592**	$ 10,694	**$ 28,459**	$ 25,928
Hardwood	**5,063**	5,800	**17,798**	18,503
Biomass	**234**	238	**757**	946
Timber services and other sales	**3,626**	5,073	**10,001**	11,715
Total New Brunswick Timberlands sales	**$ 20,515**	$ 21,805	**$ 57,015**	$ 57,092
Maine Timberlands				
Softwood	**$ 1,289**	$ 2,191	**$ 4,139**	$ 7,894
Hardwood	**858**	1,538	**2,664**	5,416
Biomass	**—**	77	**113**	100
Other sales	**355**	348	**1,049**	869
Total Maine Timberlands sales	**$ 2,502**	$ 4,154	**$ 7,965**	$ 14,279
Environmental Solutions	**—**	—	**—**	24,588
Total sales	**$ 23,017**	$ 25,959	**$ 64,980**	$ 95,959

	Three Months Ended		Nine Months Ended	
(CAD thousands)	**September 27, 2025**	September 28, 2024	**September 27, 2025**	September 28, 2024
Cost of sales				
New Brunswick Timberlands	**$ 13,457**	$ 14,894	**$ 37,110**	$ 37,468
Maine Timberlands	**3,172**	3,412	**8,317**	10,511
Environmental Solutions	**—**	—	**—**	15,434
Total cost of sales	**$ 16,629**	$ 18,306	**$ 45,427**	$ 63,413

	Three Months Ended		Nine Months Ended	
(CAD thousands)	**September 27, 2025**	September 28, 2024	**September 27, 2025**	September 28, 2024
Adjusted EBITDA				
New Brunswick Timberlands	**$ 4,363**	$ 4,784	**$ 14,218**	$ 15,303
Maine Timberlands	**(503)**	(207)	**(2,114)**	1,843
Environmental Solutions	**—**	—	**—**	19,839
Total segment Adjusted EBITDA	**$ 3,860**	$ 4,577	**$ 12,104**	$ 36,985
Corporate expenses	**(352)**	(561)	**(1,502)**	(1,838)
Non-cash cost of sales related to carbon credits	**—**	—	**—**	(14,178)
Fair value adjustments and other	**1,192**	(92)	**5,554**	4,991
Interest expense, net	**(1,049)**	(654)	**(2,934)**	(2,400)
Depreciation and amortization	**(552)**	(116)	**(1,369)**	(322)
Income before income taxes	**$ 3,099**	$ 3,154	**$ 11,853**	$ 23,238

Approximately 25% and 25% of total sales during the three and nine months ended September 27, 2025 were originated with customers domiciled in the U.S. and the balance in Canada (September 28, 2024 – 30% and 52%). Approximately 17% and 18% of total sales were denominated in U.S. dollars during the same period (September 28, 2024 – 24% and 48%).

Acadian sells its products to many companies in North America. For the three months and nine months ended September 27, 2025, sales to the largest and next largest customer accounted for 27% and 14%, and 21% and 16% respectively (September 28, 2024 – 39% and 12%, and 28% and 17% respectively).

There were no sales of carbon credits during the three and nine months ended September 27, 2025. Included in total sales during the three months and nine months ended September 28, 2024 were $nil and $24.6 million of carbon credits sales, respectively, to a single customer domiciled in the U.S.

11. FINANCIAL INSTRUMENTS

Financial Risk management - Foreign Currency Risk

Acadian has designated a hedging relationship between part of the net investment in its Maine subsidiary and its U.S. dollar-denominated debt, which mitigates the foreign currency risk arising from the subsidiary's net assets. The long-term debt is designated as a hedging instrument for the changes in the value of the net investment that is attributable to changes in the Canadian dollar/U.S. dollar spot rate.

To assess hedge effectiveness, Acadian determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the carrying amount of the debt that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate (the offset method). Acadian's policy is to hedge the net investment only to the extent of the debt principal. There was no ineffectiveness to be recorded from the hedge during the quarter.

The change in the carrying amount of long-term debt as a result of foreign currency movements during the quarter, as recognized in OCI, and the change in the hedged item was $(2.1) million and $3.6 million for the three and nine months ended September 27, 2025 (September 28, 2024 – $(1.5) million and $2.2 million).

Interest Rate Risk

Acadian's interest rate risk exposure arises from its floating interest rate revolving credit facility, to the extent funds are drawn (Note 7). As at September 27, 2025, U.S. $nil million was drawn (December 31, 2024 - $nil). A change in interest rates would have no impact on the fixed interest rate Term Facilities.

12. INCOME TAXES

The components of income taxes recognized in profit or loss are as follows:

	Three Months Ended		**Nine Months Ended**	
(CAD thousands)	**September 27, 2025**	September 28, 2024	**September 27, 2025**	September 28, 2024
Current income tax expense	**$ 1,125**	$ 443	**$ 1,888**	$ 5,304
Deferred income tax expense	**(954)**	496	**712**	1,781
Total income tax expense	**$ 171**	$ 939	**$ 2,600**	$ 7,085

Acadian's effective tax rate is different from the domestic statutory income tax rate due to the differences set out below:

	Three Months Ended		**Nine Months Ended**	
(CAD thousands)	**September 27, 2025**	September 28, 2024	**September 27, 2025**	September 28, 2024
Income taxes at statutory rate	**$ 898**	$ 915	**$ 3,438**	$ 6,739
Foreign tax rate differential	**8**	(1)	**28**	52
Previously unrecognized tax attributes	**—**	—	**—**	105
Changes in estimates related to prior years	**(799)**	—	**(958)**	108
Other	**64**	25	**92**	81
Total income tax expense	**$ 171**	$ 939	**$ 2,600**	$ 7,085

13. DIVIDENDS TO SHAREHOLDERS

Acadian pays quarterly dividends to the extent determined prudent by the Board of Directors. Total dividends declared for the three and nine months ended September 27, 2025 were $5.3 million and $15.6 million, respectively (September 28, 2024 – $5.1 million and $15.1 million) or $0.29 and $0.87 per share (September 28, 2024 – $0.29 and $0.87 per share).

14. SUBSEQUENT EVENTS

On October 15, 2025, Acadian issued 163,564 common shares at a price of $16.303 in accordance with the DRIP.