WAJAX CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

As at (unaudited, in thousands of Canadian dollars)	Note	**June 30, 2025**	December 31, 2024
ASSETS			
CURRENT			
Cash		**$ —**	$ 7,351
Trade and other receivables	5	**279,590**	303,537
Contract assets	6	**59,886**	55,588
Inventory	7	**602,488**	673,076
Deposits on inventory		**10,390**	13,411
Lease receivables - current		**9,170**	9,062
Income taxes receivable		**—**	3,563
Prepaid expenses		**15,853**	15,321
Derivative financial assets - current	15	**810**	9,773
Total current assets		**978,187**	1,090,682
NON-CURRENT			
Rental equipment	8	**46,394**	50,044
Property, plant and equipment	8	**46,513**	45,669
Right-of-use assets	9	**154,862**	158,473
Lease receivables		**15,782**	17,538
Goodwill and intangible assets		**181,282**	183,520
Derivative financial assets	15	**2,090**	1,698
Total non-current assets		**446,923**	456,942
Total assets		**$ 1,425,110**	$ 1,547,624
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT			
Bank indebtedness		**$ 865**	$ —
Accounts payable and accrued liabilities	10	**366,257**	417,834
Provisions - current		**8,017**	7,172
Contract liabilities	6	**17,232**	23,182
Dividends payable	16	**7,611**	7,629
Income taxes payable		**3,335**	—
Lease liabilities - current	11	**41,660**	40,151
Debentures - current	13	**—**	56,973
Derivative financial liabilities - current	15	**2,508**	5,313
Total current liabilities		**447,485**	558,254
NON-CURRENT			
Deferred tax liabilities		**6,618**	8,999
Employee benefits	12	**4,094**	6,526
Derivative financial liabilities	15	**2,818**	3,585
Lease liabilities	11	**161,434**	168,031
Long-term debt	14	**275,343**	283,042
Other liabilities		**5,341**	6,904
Total non-current liabilities		**455,648**	477,087
Total liabilities		**903,133**	1,035,341
SHAREHOLDERS' EQUITY			
Share capital	16	**210,961**	211,453
Contributed surplus		**7,666**	7,511
Retained earnings		**303,525**	289,993
Accumulated other comprehensive (loss) income		**(175)**	3,326
Total shareholders' equity		**521,977**	512,283
Total liabilities and shareholders' equity		**$ 1,425,110**	$ 1,547,624

Subsequent events (Notes 23)

See accompanying notes to unaudited condensed consolidated interim financial statements.

WAJAX CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF EARNINGS

(unaudited, in thousands of Canadian dollars, except per share data)	Note	Three months ended June 30 **2025**	2024	Six months ended June 30 **2025**	2024
Revenue	18	**$ 547,124**	$ 568,311	**$ 1,102,108**	$ 1,050,649
Cost of sales		**442,751**	449,415	**891,651**	825,736
Gross profit		**104,373**	118,896	**210,457**	224,913
Selling and administrative expenses		**73,405**	81,675	**152,764**	160,992
Restructuring and other related costs	19	**3,846**	—	**3,846**	—
Earnings before finance costs and income taxes		**27,122**	37,221	**53,847**	63,921
Finance costs	20	**6,252**	9,775	**15,308**	16,774
Earnings before income taxes		**20,870**	27,446	**38,539**	47,147
Income tax expense	21	**5,389**	6,816	**9,936**	11,787
Net earnings		**$ 15,481**	$ 20,630	**$ 28,603**	$ 35,360
Basic earnings per share	16	**$ 0.71**	$ 0.95	**$ 1.31**	$ 1.63
Diluted earnings per share	16	**$ 0.70**	$ 0.93	**$ 1.29**	$ 1.59

WAJAX CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME

(unaudited, in thousands of Canadian dollars)	Note	Three months ended June 30 **2025**	2024	Six months ended June 30 **2025**	2024
Net earnings		**$ 15,481**	$ 20,630	**$ 28,603**	$ 35,360
Items that will not be reclassified to earnings					
Actuarial loss on pension plans, net of tax recovery of $14 (2024 - recovery of nil)	12	**—**	—	**(41)**	—
Items that may be subsequently reclassified to earnings					
Unrealized (loss) gain on derivatives designated as cash flow hedges, net of tax recovery of $409 (2024 - expense of $134) and year to date, net of tax recovery of $801 (2024 - expense of $437)		**(1,146)**	376	**(2,244)**	1,225
Reclassification of realized (gain) loss on derivatives designated as cash flow hedges to net earnings during the period, net of tax expense of $61 (2024 - expense of $45) and year to date, net of tax expense of $448 (2024 - recovery of $125)		**(171)**	(126)	**(1,257)**	351
Other comprehensive (loss) income, net of tax		**(1,317)**	250	**(3,542)**	1,576
Total comprehensive income		**$ 14,164**	$ 20,880	**$ 25,061**	$ 36,936

See accompanying notes to unaudited condensed consolidated interim financial statements.

WAJAX CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months ended June 30, 2025 (unaudited, in thousands of Canadian dollars)	Note	Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss) Cash flow hedges	Total
December 31, 2024		$ 211,453	$ 7,511	$ 289,993	$ 3,326	$ 512,283
Net earnings		—	—	28,603	—	28,603
Other comprehensive loss		—	—	(41)	(3,501)	(3,542)
Total comprehensive income		—	—	28,562	(3,501)	25,061
Shares released from trust to settle share-based compensation awards	16, 17	222	(1,595)	879	—	(494)
Purchased for future settlement of certain share-based compensation awards	16	(714)	—	(661)	—	(1,375)
Share-based compensation expense	17	—	1,750	—	—	1,750
Dividends declared	16	—	—	(15,248)	—	(15,248)
June 30, 2025		**$ 210,961**	**$ 7,666**	**$ 303,525**	**$ (175)**	**$ 521,977**

See accompanying notes to unaudited condensed consolidated interim financial statements.

WAJAX CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the six months ended June 30, 2024 (unaudited, in thousands of Canadian dollars)	Note	Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss) Cash flow hedges	Total
December 31, 2023		$ 210,004	$ 7,563	$ 278,100	$ 570	$ 496,237
Net earnings		—	—	35,360	—	35,360
Other comprehensive income		—	—	—	1,576	1,576
Total comprehensive income		—	—	35,360	1,576	36,936
Shares released from trust to settle share-based compensation awards	16, 17	545	(2,160)	(508)	—	(2,123)
Excess tax benefit on share-based compensation		—	—	712	—	712
Purchased for future settlement of certain share-based compensation awards	16	(285)	—	(695)	—	(980)
Share-based compensation expense	17	—	1,778	—	—	1,778
Dividends declared	16	—	—	(15,196)	—	(15,196)
June 30, 2024		**$ 210,264**	**$ 7,181**	**$ 297,773**	**$ 2,146**	**$ 517,364**

See accompanying notes to unaudited condensed consolidated interim financial statements.

WAJAX CORPORATION
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(unaudited, in thousands of Canadian dollars)	Note	Three months ended June 30 **2025**	Three months ended June 30 2024	Six months ended June 30 **2025**	Six months ended June 30 2024
OPERATING ACTIVITIES					
Net earnings		**$ 15,481**	$ 20,630	**$ 28,603**	$ 35,360
Items not affecting cash flow:					
Depreciation and amortization:					
Rental equipment	8	**3,245**	3,307	**6,601**	6,865
Property, plant and equipment	8	**2,224**	2,269	**4,404**	4,297
Right-of-use assets	9	**8,239**	8,086	**16,307**	15,865
Intangible assets		**1,567**	1,761	**3,198**	3,508
Gain on disposal of property, plant & equipment		**(11)**	(101)	**(231)**	(120)
(Gain) loss on disposal of right-of-use assets		**(3)**	—	**18**	(201)
Share-based compensation expense	17	**2,203**	547	**3,100**	4,293
Non-cash income from finance leases		**(172)**	(494)	**(595)**	(672)
Employee benefits expense, net of employer contributions		**(16)**	(38)	**(2,487)**	(53)
(Gain) loss on foreign exchange forwards and total return swaps	15	**(1,818)**	2,961	**101**	248
Finance costs	20	**6,252**	9,775	**15,308**	16,774
Income tax expense	21	**5,389**	6,816	**9,936**	11,787
		42,580	55,519	**84,263**	97,951
Changes in non-cash operating working capital	22	**38,886**	6,314	**39,440**	(21,510)
Rental equipment additions	8	**(2,261)**	(10,158)	**(3,540)**	(16,146)
Other non-current liabilities		**—**	—	**—**	10
Cash received (paid) on settlement of total return swaps	15	**—**	33	**(415)**	1,896
Finance costs paid on debts		**(5,320)**	(6,176)	**(12,082)**	(11,668)
Finance costs paid on lease liabilities	11, 20	**(2,733)**	(2,606)	**(5,447)**	(5,149)
Interest collected on lease receivables	20	**363**	249	**673**	455
Income taxes paid		**(4,165)**	(7,345)	**(4,156)**	(17,331)
Cash generated from operating activities		**67,350**	35,830	**98,736**	28,508
INVESTING ACTIVITIES					
Property, plant and equipment additions	8	**(2,022)**	(2,422)	**(4,934)**	(4,469)
Proceeds on disposal of property, plant and equipment		**101**	134	**520**	194
Intangible asset additions		**(960)**	(205)	**(960)**	(241)
Collection of lease receivables		**2,467**	1,864	**4,892**	3,493
Post acquisition settlement payments, net of receipts	4	**—**	—	**(2,785)**	912
Cash used in investing activities		**(414)**	(629)	**(3,267)**	(111)
FINANCING ACTIVITIES					
Net (decrease) increase in bank debt	14	**(49,139)**	(16,987)	**(7,847)**	12,868
Repayment of debentures	13	**—**	—	**(57,000)**	—
Purchase of shares held in trust		**(300)**	—	**(1,375)**	(980)
Transaction costs on debts	14	**—**	—	**—**	(439)
Payment of lease liabilities	11	**(10,683)**	(9,627)	**(21,053)**	(18,772)
Payment of contingent consideration	15	**—**	—	**(650)**	—
Payment of tax withholding for share-based compensation		**—**	(226)	**(494)**	(2,123)
Dividends paid		**(7,637)**	(7,602)	**(15,266)**	(14,753)
Cash used in financing activities		**(67,759)**	(34,442)	**(103,685)**	(24,199)
Change in cash		**(823)**	759	**(8,216)**	4,198
(Bank indebtedness) cash - beginning of period		**(42)**	2,042	**7,351**	(1,397)
(Bank indebtedness) cash - end of period		**$ (865)**	$ 2,801	**$ (865)**	$ 2,801

See accompanying notes to unaudited condensed consolidated interim financial statements.

June 30, 2025
(unaudited, amounts in thousands of Canadian dollars, except share and per share data)

1. COMPANY PROFILE

Wajax Corporation (the "**Corporation**") is incorporated in Canada. The address of the Corporation's registered head office is 10 Diesel Drive, Toronto, Ontario, Canada. The Corporation operates an integrated distribution system, providing sales, parts and services to a broad range of customers in diversified sectors of the Canadian economy, including: construction, forestry, mining, industrial and commercial, oil sands, transportation, metal processing, government and utilities, and oil and gas.

2. BASIS OF PREPARATION

Statement of compliance
These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("**IAS**") 34, Interim Financial Reporting and do not include all of the disclosures required for annual consolidated financial statements. Accordingly, these unaudited condensed consolidated interim financial statements should be read in conjunction with the audited consolidated financial statements of the Corporation for the year ended December 31, 2024. The significant accounting policies follow those disclosed in the most recently reported audited consolidated financial statements.

These unaudited condensed consolidated interim financial statements were authorized for issue by the Board of Directors on August 7, 2025.

3. CHANGE IN ACCOUNTING POLICIES

During the year to date, the Corporation did not adopt any new accounting standards or amendments that had an impact on the Corporation's unaudited condensed consolidated interim financial statements.

4. BUSINESS ACQUISITIONS

The Corporation made net post-acquisition settlement payments of $2,785 year to date (2024 - net receipts of $912). The payments related to holdback payments to the sellers of Polyphase Engineered Controls (1977) Ltd. ("**Polyphase**") and Beta Fluid Power Ltd. and Beta Industrial Ltd. ("**Beta**"). The net receipts during the prior year related to cash received from the sellers of Polyphase and Beta for post-closing adjustments, partially offset by a holdback payment to the sellers of Beta.

See Note 15 for contingent consideration liability balance and movement.

5. TRADE AND OTHER RECEIVABLES

The Corporation's trade and other receivables consist of trade accounts receivable from customers and other accounts receivable, generally from suppliers for warranty and rebates. Trade and other receivables are comprised of the following:

		June 30, 2025		December 31, 2024
Trade accounts receivable	**$**	**262,558**	$	277,884
Less: allowance for credit losses		**(1,658)**		(2,271)
Net trade accounts receivable	**$**	**260,900**	$	275,613
Other receivables		**18,690**		27,924
Total trade and other receivables	**$**	**279,590**	$	303,537

6. CONTRACT ASSETS AND LIABILITIES

The following table provides information about contract assets and contract liabilities from contracts with customers:

		June 30, 2025		December 31, 2024
Contract assets	**$**	**59,886**	$	55,588
Contract liabilities	**$**	**17,232**	$	23,182

The contract assets relate to the Corporation's rights to consideration for work completed but not billed at the reporting date, primarily on product support and engineered repair services ("**ERS**") revenue. The contract assets are transferred to receivables when billed upon completion of significant milestones. The contract liabilities relate to the advance billing or advance consideration received from customers, primarily on equipment sales, industrial parts sales, and ERS revenue, for which revenue is recognized when control transfers to the customer.

7. INVENTORY

The Corporation's inventory balance consists of the following:

		June 30, 2025		December 31, 2024
Equipment	**$**	**318,880**	$	377,205
Parts		**248,043**		257,623
Work-in-process		**35,565**		38,248
Total inventory	**$**	**602,488**	$	673,076

All amounts shown are net of obsolescence provisions of $31,868 (December 31, 2024 - $30,814).

As at June 30, 2025, the Corporation has included $20,891 (December 31, 2024 - $28,484) in equipment inventory related to short-term rental contracts, the majority of which is expected to convert to equipment sales within a six to twelve month period.

Substantially all of the Corporation's inventory is pledged as security for the bank credit facility (Note 14).

8. PROPERTY, PLANT AND EQUIPMENT & RENTAL EQUIPMENT

Activity within property, plant and equipment included:

	Three months ended June 30		Six months ended June 30	
	2025	2024	**2025**	2024
Balance at beginning of period	**$ 46,210**	$ 45,717	**$ 45,669**	$ 44,829
Additions	**2,022**	2,422	**4,934**	4,469
Disposals - Net book value	**(90)**	(33)	**(289)**	(74)
Transfer from leased to owned at end of lease	**595**	—	**603**	910
Transfer from rental equipment	**—**	26	**—**	26
Depreciation charge	**(2,224)**	(2,269)	**(4,404)**	(4,297)
Balance at end of period	**$ 46,513**	$ 45,863	**$ 46,513**	$ 45,863

Activity within rental equipment included:

	Three months ended June 30		Six months ended June 30	
	2025	2024	**2025**	2024
Balance at beginning of period	**$ 47,793**	$ 42,824	**$ 50,044**	$ 42,490
Additions	**2,261**	10,158	**3,540**	16,146
Transfer to inventory - Net book value	**(415)**	(4,238)	**(589)**	(6,334)
Transfer to property, plant and equipment	**—**	(26)	**—**	(26)
Depreciation charge	**(3,245)**	(3,307)	**(6,601)**	(6,865)
Balance at end of period	**$ 46,394**	$ 45,411	**$ 46,394**	$ 45,411

9. RIGHT-OF-USE ASSETS

	Three months ended June 30		Six months ended June 30	
	2025	2024	**2025**	2024
Balance at beginning of period	**$ 153,623**	$ 144,913	**$ 158,473**	$ 135,832
Additions	**12,293**	21,404	**17,528**	42,615
Disposals - Net book value	**(883)**	—	**(1,008)**	(1,379)
Transfer from leased to owned at end of lease	**(595)**	—	**(603)**	(910)
Disposal to lease receivables upon sublease	**(1,337)**	(5,066)	**(3,221)**	(7,128)
Depreciation charge	**(8,239)**	(8,086)	**(16,307)**	(15,865)
Balance at end of period	**$ 154,862**	$ 153,165	**$ 154,862**	$ 153,165

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following:

		June 30, 2025		December 31, 2024
Trade payables	$	278,811	$	333,314
Deferred rental income		872		680
Contingent consideration liability - current		3,280		3,280
Payroll, bonuses and incentives		37,142		35,842
Accrued liabilities		46,152		44,718
Accounts payable and accrued liabilities	$	366,257	$	417,834

The Corporation has supplier finance arrangements with three third-party financing companies. Under these arrangements, the Corporation can purchase equipment from suppliers with interest-free payment terms ranging anywhere from approximately 45 days to 11 months, depending on the type of equipment and the financing company. After the interest-free period, the financing becomes interest bearing if the Corporation does not repay the principal borrowed. If the Corporation sells the equipment before payment is due, payment must then be remitted to the financing company. Comparable trade payables that are not part of a supplier finance arrangement usually have payment terms of approximately 30 days. As at June 30, 2025, supplier finance liabilities were $127,832 (December 31, 2024 - $166,887) and are included in trade payables above. Under the terms of the Corporation's bank credit facility, the Corporation is permitted to have additional interest bearing equipment inventory financing of up to $25,000. The interest bearing portion of the supplier finance liabilities was $5,390 as at June 30, 2025 (December 31, 2024 - $12,522).

11. LEASE LIABILITIES AND LEASE RECEIVABLES

As lessee

The Corporation leases properties for its branch network, certain vehicles, machinery and IT equipment.

The change in lease liabilities is as follows:

		Three months ended June 30				Six months ended June 30			
	Note		2025		2024		2025		2024
Balance at beginning of period		$	203,010	$	185,761	$	208,182	$	175,374
Changes from operating cash flows									
Finance costs paid on lease liabilities			(2,733)		(2,606)		(5,447)		(5,149)
Changes from financing cash flows									
Payment of lease liabilities			(10,683)		(9,627)		(21,053)		(18,772)
Other changes									
Interest expense	20		2,733		2,606		5,447		5,149
New leases, net of disposals			10,767		21,540		15,965		41,072
Balance at end of period		$	203,094	$	197,674	$	203,094	$	197,674
Current portion		$	41,660	$	39,074	$	41,660	$	39,074
Non-current portion		$	161,434	$	158,600	$	161,434	$	158,600

Not included in the balance of lease liabilities are short-term leases, leases of low-value assets and variable lease payments not linked to an index. Variable lease payments, lease payments associated with short-term leases and leases of low-value assets are expensed as incurred in the condensed consolidated interim statements of earnings.

<u>As lessor</u>

Operating leases
The Corporation rents equipment to customers under rental agreements with terms of up to 5 years. The rentals have been assessed and classified as operating leases. Revenue is presented as equipment rental revenue and recognized evenly over the term of the rental agreement.

Finance leases
The Corporation subleases certain equipment to customers. The Corporation assesses and classifies its subleases as finances leases, and therefore derecognizes the right-of-use assets relating to the respective head leases, recognizes lease receivables equal to the net investment in the subleases, and retains the previously recognized lease liabilities in its capacity as lessee.

12. EMPLOYEE BENEFITS

The Corporation sponsored four pension plans: two defined contribution plans - the Wajax Limited Defined Contribution Pension Plan (the "**Employees' Plan**"), and the Simplified Pension Plan (the "**SP Plan**") for employees resident in the province of Québec, and two defined benefit plans - the Pension Plan for Executive Employees of Wajax Limited (the "**Executive Plan**") and the Wajax Limited Supplemental Executive Retirement Plan (the "**SERP**").

During the year, the Corporation contributed $2,902 to the Executive Plan to fully fund the plan prior to purchasing buyout annuities from a third-party financial services company at a cost of $6,830. As a result of the annuities purchase, the third-party financial services company was responsible for the payment of Executive Plan members' pension benefits starting May 1, 2025, and the Corporation settled its defined benefit obligation in respect of all such plan members.

As a result of the settlement, the Executive Plan assets and benefit obligation declined by $6,830 and $6,372, respectively, resulting in a loss on settlement of $458 which the Corporation recorded in the condensed consolidated interim statements of earnings during the year.

In addition, the settlement triggered a January 31, 2025 re-measurement of the Executive Plan for any pre-settlement changes in assumptions, plan asset return experience and other experience adjustments, resulting in a re-measurement loss of $41, net of tax, recognized in other comprehensive income during the year in the condensed consolidated interim statements of comprehensive income.

As at June 30, 2025, the employee benefits liability of $4,094 (December 31, 2024 - $6,526) consists of a net pension asset of $150 (December 31, 2024 - net pension liability of $2,188) relating to the Executive Plan and a pension liability of $4,244 (December 31, 2024 - $4,338) relating to the SERP, which is not funded.

13. DEBENTURES

Senior Unsecured Debentures - 6%, due January 15, 2025

In December 2019, the Corporation issued $57,000 in unsecured subordinated debentures with a term of five years due January 15, 2025. These debentures bore a fixed interest rate of 6.00% per annum, payable semi-annually on January 15 and July 15 of each year.

On January 15, 2025, the Corporation repaid in full the $57,000 in principal amount owed under its senior unsecured debentures, along with accrued interest up to but excluding the maturity date. The Corporation used borrowings under its bank credit facility to complete the repayment.

The following balances were outstanding:

		June 30, 2025		December 31, 2024
Debentures issued	**$**	**—**	$	57,000
Deferred financing costs, net of accumulated amortization		**—**		(27)
Total debentures	**$**	**—**	$	56,973
Current portion	**$**	**—**	$	56,973
Non-current portion	**$**	**—**	$	—

Movements in the debentures balance were as follows:

	Three months ended June 30				Six months ended June 30			
		2025		2024		**2025**		2024
Balance at beginning of period	**$**	**—**	$	56,494	**$**	**56,973**	$	56,340
Repayment of debentures		**—**		—		**(57,000)**		—
Amortization of deferred financing costs		**—**		156		**27**		310
Balance at end of period	**$**	**—**	$	56,650	**$**	**—**	$	56,650

Finance costs on the debentures were nil during the quarter (2024 - $1,007) and $157 year to date (2024 - $1,996).

14. LONG-TERM DEBT

As at June 30, 2025, Wajax had a $500,000 credit limit on its bank credit facility, composed of a $50,000 non-revolving term facility and a $450,000 revolving term facility, maturing on October 1, 2027.

As at June 30, 2025, borrowings under the bank credit facility bear floating rates of interest at margins over Canadian dollar term Canadian Overnight Repo Rate Average ("**CORRA**") loan yields, U.S. dollar Secured Overnight Financing Rate ("**SOFR**") rates or prime. Margins on the facility depend on the Corporation's leverage ratio at the time of borrowing and range between 1.8% and 3.3% for Canadian dollar term CORRA loans and U.S. dollar SOFR borrowings, and between 0.8% and 2.3% for prime rate borrowings.

As at June 30, 2025, borrowing capacity under the bank credit facility is dependent upon the level of the Corporation's inventory on hand and the outstanding trade accounts receivable. As at June 30, 2025, borrowing capacity under the bank credit facility was $500,000 (December 31, 2024 - $500,000), of which $220,241 (December 31, 2024 - $212,574) was accessible to the Corporation. In addition, the bank credit facility contains customary restrictive covenants, including limitations on paying cash dividends and acquiring businesses in the event the senior secured leverage ratio, as defined in the bank credit facility agreement, exceeds 4.0 times, and an interest coverage maintenance ratio, all of which were met as at June 30, 2025.

The following balances were outstanding:

		June 30, 2025		December 31, 2024
Bank credit facility				
Non-revolving term portion	$	**50,000**	$	50,000
Revolving term portion		**225,902**		233,749
	$	**275,902**	$	283,749
Deferred financing costs, net of accumulated amortization		**(559)**		(707)
Total long-term debt	$	**275,343**	$	283,042

On January 15, 2025, the Corporation used borrowings under its bank credit facility to complete the repayment of its $57,000 senior unsecured debentures. See Note 13 for further details on the debentures repayment.

The Corporation had $3,857 (December 31, 2024 - $3,677) letters of credit outstanding at the end of the period. Finance costs on long-term debt amounted to $4,530 during the quarter (2024 - $5,389) and $9,810 year to date (2024 - $10,492).

Movements in the long-term debt balance were as follows:

	Three months ended June 30				Six months ended June 30			
		2025		2024		**2025**		2024
Balance at beginning of period	$	**324,408**	$	297,332	$	**283,042**	$	267,755
Changes from financing cash flows								
Net (repayments) proceeds of borrowings		**(49,139)**		(16,987)		**(7,847)**		12,868
Transaction costs related to borrowings		**—**		—		**—**		(439)
Other changes								
Amortization of deferred financing costs		**74**		166		**148**		327
Balance at end of period	$	**275,343**	$	280,511	$	**275,343**	$	280,511

15. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

The Corporation uses the following fair value hierarchy for determining and disclosing the fair value of financial instruments:

- **Level 1** - unadjusted quoted prices in active markets for identical assets or liabilities.
- **Level 2** - other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.
- **Level 3** - techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The Corporation categorizes its financial instruments as follows:

	June 30, 2025	December 31, 2024
Financial assets measured at amortized cost:		
Cash	**$ —**	$ 7,351
Trade and other receivables	**279,590**	303,537
Contract assets	**59,886**	55,588
Lease receivables	**24,952**	26,600
Financial liabilities measured at amortized cost:		
Bank indebtedness	**865**	—
Accounts payable and accrued liabilities (excluding contingent consideration)	**362,977**	414,554
Provisions	**8,017**	7,172
Dividends payable	**7,611**	7,629
Other liabilities (excluding contingent consideration)	**1,372**	2,285
Debentures	**—**	56,973
Long-term debt	**275,343**	283,042
Financial assets measured at fair value:		
Derivative financial assets	**2,900**	11,471
Financial liabilities measured at fair value:		
Contingent consideration (in accounts payable and accrued liabilities)	**3,280**	3,280
Contingent consideration (in other liabilities)	**3,969**	4,619
Derivative financial liabilities	**5,326**	8,898

The Corporation measures financial assets and financial liabilities at amortized cost, except for derivative financial assets/liabilities and contingent consideration from acquisitions, which are measured at fair value. Changes in fair value are recognized in the condensed consolidated interim statements of earnings except for changes in fair value related to derivative financial assets/liabilities which are effectively designated as hedging instruments which are recognized in other comprehensive income. The Corporation's derivative financial assets/liabilities are held with major Canadian chartered banks and are deemed to be Level 2 financial instruments. The Corporation's contingent consideration liabilities are Level 3 financial instruments, and are valued using either a discounted cash flow model or a Monte Carlo simulation model. The Monte Carlo simulation uses various assumptions including EBITDA forecast, discount rate, and volatility factor. The fair value of long-term debt approximates its recorded value due to its floating interest rate. The fair value of lease receivables approximates its carrying value. The fair value of the debentures can be estimated based on the trading price of the debentures, which takes into account the Corporation's own credit risk. On January 15, 2025, the Corporation repaid its debentures in full. At December 31, 2024, the Corporation had estimated the fair value of its debentures to be $57,000. The fair values of all other financial assets and liabilities approximate their recorded values due to the short-term maturities of these instruments.

Movements in the contingent consideration liability were as follows:

		Amount
Contingent consideration liability, December 31, 2023	$	9,429
Contingent consideration paid - QT Valve & Supply Limited (2021)		(113)
Contingent consideration paid - Beta		(641)
Contingent consideration paid - Polyphase		(3,039)
Revaluation of contingent consideration - Polyphase		2,263
Contingent consideration liability, December 31, 2024	$	7,899
Contingent consideration paid - Process Flow Systems Ltd.		(650)
Contingent consideration liability, June 30, 2025	**$**	**7,249**
Current portion (in accounts payable and accrued liabilities)	$	3,280
Non-current portion (in other liabilities)	$	3,969

Derivative financial instruments and hedges
The Corporation enters into interest rate swaps to hedge the risk associated with interest rate fluctuations on its variable rate debt. Interest rate swaps are initially recognized on the date the derivative contracts are entered into, and are subsequently re-measured at their fair values. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument. In a cash flow hedging relationship, the effective portion of the change in the fair value of the hedging derivative, net of taxes, is recognized in other comprehensive income while the ineffective portion is recognized within net earnings. Amounts in accumulated other comprehensive income are reclassified to net earnings in the periods when the hedged item affects profit or loss.

During the second quarter of 2023, the Corporation discontinued its application of hedge accounting relating to its interest rate swaps. The derivatives continue to be carried at fair value in the condensed consolidated interim statements of financial position with changes in fair value recognized in finance costs in the condensed consolidated interim statements of earnings. Amounts previously accumulated in accumulated other comprehensive income prior to discontinuance are being amortized to finance costs over the remaining term of the underlying forecasted interest payments.

The Corporation recognized a gain of $648 during the quarter (2024 - loss of $1,022) and a loss of $567 year to date (2024 - gain of $408) in the condensed consolidated interim statements of earnings associated with its interest rate swaps, and an after-tax loss of $177 during the quarter (2024 - after-tax loss of $177) and an after-tax loss of $354 year to date (2024 - after-tax loss of $354).

The Corporation’s interest rate swaps outstanding are summarized as follows:

		Notional Amount	**Weighted Average Interest Rate**	**Maturity**
As at June 30, 2025:	$	150,000	2.57 %	October 2027
As at December 31, 2024:	$	150,000	2.57 %	October 2027

The Corporation enters into short-term foreign exchange forwards to hedge the exchange risk associated with the cost of certain inbound inventory and certain foreign currency-denominated sales to customers along with the associated receivables as part of its normal course of business. Foreign exchange forwards are initially recognized on the date the derivative contract is entered into and are subsequently re-measured at their fair values. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument. In a cash flow hedging relationship, the effective portion of the change in the fair value of the hedging derivative, net of taxes, is recognized in other comprehensive income while the ineffective portion is recognized in the condensed consolidated interim statements of earnings within gross profit. Amounts in accumulated other comprehensive income are reclassified to net earnings in the periods when the hedged item affects profit or loss. The Corporation recognized a loss of $358 in the quarter (2024 - loss of $365) and a loss of $900 year to date (2024 - gain of $1,342) associated with its foreign exchange forwards in the condensed consolidated interim statements of earnings, and an after-tax loss of $2,152 in the quarter (2024 - after-tax gain of $427) and an after-tax loss of $3,144 year to date (2024 - after-tax gain of $1,930) in other comprehensive income.

The Corporation’s contracts to buy and sell foreign currencies are summarized as follows:

June 30, 2025		**Notional Amount**	**Average Exchange Rate**	**Maturity**
Purchase contracts	USD	150,615	1.3748	July 2025 to March 2027
	EUR	2,786	1.5773	August 2025 to October 2025
	AUD	7,309	0.9016	September 2025 to December 2025
Sales contracts	USD	79,538	1.3635	August 2025 to April 2027
	EUR	4,070	1.5706	September 2025 to August 2026

December 31, 2024		**Notional Amount**	**Average Exchange Rate**	**Maturity**
Purchase contracts	USD	164,165	1.3705	January 2025 to August 2026
	EUR	756	1.5001	January 2025 to March 2025
	AUD	7,269	0.9078	January 2025 to December 2025
Sales contracts	USD	87,306	1.3507	January 2025 to May 2026
	EUR	973	1.4774	January 2025 to November 2025

The Corporation has certain total return swaps to hedge the exposure associated with increases in its share price on its outstanding restricted share units ("**RSUs**"). The Corporation does not apply hedge accounting to these relationships and as such, any gain or loss arising from marking these derivatives to market are recognized in the condensed consolidated interim statements of earnings within selling and administrative expenses in the period in which they arise. As at June 30, 2025, the Corporation's total return swaps cover 426,000 of the Corporation's underlying common shares (December 31, 2024 - 366,000), and expire between March 2026 and March 2028. During the year to date, the Corporation settled a total return swap contract for 112,000 shares (2024 - 147,000 shares), resulting in a cash payment of $415 (2024 - cash receipt of $1,896). The Corporation recognized a gain of $2,176 during the quarter (2024 - loss of $2,596) and a gain of $799 year to date (2024 - loss of $1,590) associated with its total return swaps in the condensed consolidated interim statements of earnings.

Derivative financial assets consist of:

	June 30, 2025	December 31, 2024
Interest rate swaps	**$ 720**	$ 1,676
Foreign exchange forwards	**1,715**	9,795
Total return swaps	**465**	—
Total derivative financial assets	**$ 2,900**	$ 11,471
Current portion	**$ 810**	$ 9,773
Non-current portion	**$ 2,090**	$ 1,698

Derivative financial liabilities consist of:

	June 30, 2025	December 31, 2024
Interest rate swaps	**$ 92**	$ —
Foreign exchange forwards	**3,538**	6,453
Total return swaps	**1,696**	2,445
Total derivative financial liabilities	**$ 5,326**	$ 8,898
Current portion	**$ 2,508**	$ 5,313
Non-current portion	**$ 2,818**	$ 3,585

Movements in the net derivative financial assets (liabilities) balance are as follows:

	Three months ended June 30		Six months ended June 30	
	2025	2024	**2025**	2024
Opening net derivative financial (liability) asset	**$ (1,732)**	$ 9,785	**$ 2,573**	$ 5,706
Gain (loss) recognized in net earnings	**2,466**	(3,983)	**(668)**	160
(Loss) gain recognized in other comprehensive income	**(3,160)**	339	**(4,746)**	2,138
Cash (received) paid on settlement of total return swaps	**—**	(33)	**415**	(1,896)
Ending net derivative financial (liability) asset	**$ (2,426)**	$ 6,108	**$ (2,426)**	$ 6,108

The balance in accumulated other comprehensive income is comprised of the fair value of the Corporation's various foreign exchange forwards where hedge accounting is applied, and the remaining unamortized fair value of the Corporation’s interest rate swaps where hedge accounting was applied, prior to discontinuance of hedge accounting. These accumulated amounts will be continuously released to the condensed consolidated interim statements of earnings within gross profit and finance costs, respectively.

During the periods presented and cumulatively to date, changes in counterparty credit risk have not significantly contributed to the overall changes in the fair value of these derivative instruments.

16. SHARE CAPITAL AND EARNINGS PER SHARE

The Corporation is authorized to issue an unlimited number of no par value common shares and an unlimited number of no par value preferred shares. Each common share entitles the holder of record to one vote at all meetings of shareholders. All issued common shares are fully paid. There were no preferred shares outstanding as at June 30, 2025 (December 31, 2024 - nil). Each common share represents an equal beneficial interest in any distributions of the Corporation and in the net assets of the Corporation in the event of its termination or winding-up.

	Number of Common Shares		Amount
Issued and outstanding, December 31, 2024 and June 30, 2025	21,908,689	$	212,526
Shares held in trust, December 31, 2024	(112,773)	$	(1,073)
Released for settlement of certain share-based compensation awards	23,367		222
Purchased for future settlement of certain share-based compensation awards	(73,598)		(714)
Shares held in trust, June 30, 2025	(163,004)	$	(1,565)
Issued and outstanding, net of shares held in trust, June 30, 2025	**21,745,685**	**$**	**210,961**

	Number of Common Shares		Amount
Issued and outstanding, December 31, 2023 and June 30, 2024	21,810,411	$	211,337
Shares held in trust, December 31, 2023	(140,865)	$	(1,333)
Released for settlement of certain share-based compensation awards	57,511		545
Purchased for future settlement of certain share-based compensation awards	(29,419)		(285)
Shares held in trust, June 30, 2024	(112,773)	$	(1,073)
Issued and outstanding, net of shares held in trust, June 30, 2024	**21,697,638**	**$**	**210,264**

Dividends declared

During the quarter, the Corporation declared cash dividends of $0.35 per share or $7,611 (2024 - dividends of $0.35 per share or $7,594). During the six months ended June 30, 2025, the Corporation declared cash dividends of $0.70 per share or $15,248 (2024 - dividends of $0.70 per share or $15,196). As at June 30, 2025, the Corporation had $7,611 (December 31, 2024 - $7,629) dividends outstanding which were paid on July 3, 2025.

Earnings per share

The following table sets forth the computation of basic and diluted earnings per share:

	Three months ended June 30		Six months ended June 30	
	2025	2024	**2025**	2024
Numerator for basic and diluted earnings per share:				
– net earnings	**$ 15,481**	$ 20,630	**$ 28,603**	$ 35,360
Denominator for basic earnings per share:				
– weighted average shares, net of shares held in trust	**21,756,066**	21,696,986	**21,779,032**	21,689,613
Denominator for diluted earnings per share:				
– weighted average shares, net of shares held in trust	**21,756,066**	21,696,986	**21,779,032**	21,689,613
– effect of dilutive share units	**438,109**	538,129	**401,099**	541,584
Denominator for diluted earnings per share	**22,194,175**	22,235,115	**22,180,131**	22,231,197
Basic earnings per share	**$ 0.71**	$ 0.95	**$ 1.31**	$ 1.63
Diluted earnings per share	**$ 0.70**	$ 0.93	**$ 1.29**	$ 1.59

For the quarter, the calculation above excludes 47,020 anti-dilutive share units (2024 – 41,727). For the year to date, the calculation above excludes 92,127 anti-dilutive share units (2024 – 49,048).

17. SHARE-BASED COMPENSATION PLANS

The Corporation has four share-based compensation plans: the Wajax Share Ownership Plan (the "**SOP**"), the Directors' Deferred Share Unit Plan (the "**DDSUP**"), the Mid-Term Incentive Plan for Senior Executives (the "**MTIP**") and the Deferred Share Unit Plan (the "**DSUP**"). The following table provides the share-based compensation expense for awards under all plans:

	Three months ended June 30		Six months ended June 30	
	2025	2024	**2025**	2024
Treasury share units plans				
SOP equity-settled	**$ 12**	$ 21	**$ 33**	$ 42
DDSUP equity-settled	**242**	256	**484**	542
Total treasury share units plans expense	**$ 254**	$ 277	**$ 517**	$ 584
Market-purchased share units plans				
MTIP equity-settled	**$ 538**	$ 410	**$ 1,167**	$ 1,155
DSUP equity-settled	**38**	27	**66**	39
Total market-purchased share units plans expense	**$ 576**	$ 437	**$ 1,233**	$ 1,194
Cash-settled units plans				
MTIP cash-settled	**$ 1,348**	$ (113)	**$ 1,338**	$ 2,523
DSUP cash-settled	**25**	(54)	**12**	(8)
Total cash-settled units plans expense	**$ 1,373**	$ (167)	**$ 1,350**	$ 2,515
Total share-based compensation expense	**$ 2,203**	$ 547	**$ 3,100**	$ 4,293

a) Treasury share units plans

Under the SOP and the DDSUP, units are issued to the participants which are settled by issuing Wajax Corporation shares for no cash consideration. Units under the SOP vest over three years, while units under the DDSUP vest immediately. Vested units are settled when the participant is no longer employed by the Corporation or one of its subsidiary entities or no longer sits on its Board. Whenever dividends are paid on the Corporation's shares, additional units (dividend equivalents) with a value equal to the dividends are credited to the participants' accounts.

The following units under these plans are outstanding:

		Number of Units	Fair Value at Time of Grant
Outstanding at December 31, 2024		360,761	$ 5,654
Grants	– new grants	33,221	684
	– dividend equivalents	13,226	—
Outstanding at June 30, 2025		407,208	$ 6,338

At June 30, 2025, 398,531 share units were vested (December 31, 2024 - 347,420 share units were vested).

The outstanding aggregate number of shares issuable to satisfy entitlements under these plans is as follows:

	Number of Shares
Approved by shareholders	1,650,000
Exercised to date	(736,655)
Units outstanding	(407,208)
Available for future grants at June 30, 2025	506,137

b) Market-purchased share units plans

The MTIP plan consists of cash-settled restricted share units ("**RSUs**") and equity-settled performance share units ("**PSUs**"), and the equity-settled DSUP plan consists of deferred share units ("**DSUs**").

Market-purchased share units plans consist of PSUs under the MTIP plan and DSUs, which vest over three years and are settled in common shares of the Corporation on a one-for-one basis. DSUs are only subject to time-vesting, whereas PSUs are also subject to performance vesting. PSUs are comprised of two types:

- **Total shareholder return ("TSR") PSUs:** TSR PSUs vest dependent upon the attainment of a TSR market condition. Such performance vesting criteria result in a performance vesting factor that ranges from 0% to 200% depending on the Corporation's TSR relative to a pre-selected group of peers.

- **Return on invested capital ("ROIC") PSUs:** ROIC PSUs vest dependent upon the attainment of a target level of return on invested capital. Such performance vesting criteria results in a performance vesting factor that ranges from 0% to 150% depending on the level of ROIC attained.

These plans are settled through shares purchased on the open market by the employee benefit plan trust, subject to the attainment of their vesting conditions. PSUs are settled at the end of the vesting period, and the number of shares remitted to the participant upon settlement is equal to the number of PSUs awarded multiplied by the performance vesting factor less shares withheld to satisfy the participant's withholding tax requirement. DSUs are settled when the participant is no longer employed by the Corporation or one of its subsidiary entities. Whenever dividends are paid on the Corporation's shares, additional units with a value equal to the dividends are credited to the participants' accounts with the same vesting conditions as the original PSUs and DSUs.

The following units under these plans are outstanding:

		Number of Units	Fair Value at Time of Grant
Outstanding at December 31, 2024		232,458	$ 6,188
Grants	– new grants	183,356	3,861
	– dividend equivalents	10,446	—
Forfeitures		(41,140)	(911)
Settlements		(47,641)	(827)
Outstanding at June 30, 2025		337,479	$ 8,311

PSUs granted in 2022 were vested and settled in March 2025. Performance condition achievement resulted in a reduction of 36,695 TSR PSUs (included in the 'Forfeitures' line above), and an increase of 10,961 ROIC PSUs (included in the 'Grants' lines above). After performance condition achievement, 47,641 earned PSUs relating to the 2022 MTIP grant were settled in March 2025 by releasing and delivering to participants a total of 23,367 common shares from the trust, net of withholding tax. See Note 16 for details on share movements.

At June 30, 2025, 21,678 outstanding units were vested (December 31, 2024 - 20,902 units were vested). All vested units are DSUs.

c) Cash-settled units plans

Cash-settled units plans consist of MTIP RSUs and cash-settled DSUs. Compensation expense varies with the price of the Corporation's shares and is recognized over the three year vesting period. RSUs are settled at the end of the vesting period, whereas DSUs are settled when the participant is no longer employed by the Corporation or one of its subsidiary entities. Whenever dividends are paid on the Corporation's shares, additional units with a value equal to the dividends are credited to the participants' accounts with the same vesting conditions as the original units. The value of the payout is equal to the number of units awarded including earned dividend equivalents, multiplied by the volume weighted average share price at the time of vesting. At June 30, 2025, the carrying amount of the liabilities for these plans was $3,584 (December 31, 2024 – $5,235).

The following units under these plans were outstanding:

		Number of Units
Outstanding at December 31, 2024		402,430
Grants	– new grants	172,842
	– dividend equivalents	14,322
Forfeitures		(13,697)
Settlements		(147,545)
Outstanding at June 30, 2025		428,352

At June 30, 2025, 4,617 outstanding units were vested (December 31, 2024 - 4,452 units were vested).

18. REVENUE

Disaggregation of revenue

In the following table, revenue is disaggregated by revenue type:

	Three months ended June 30		Six months ended June 30	
	2025	2024	**2025**	2024
Equipment sales	**$ 176,681**	$ 180,379	**$ 347,578**	$ 278,499
Product support	**133,424**	144,841	**279,844**	279,183
Industrial parts	**141,136**	147,171	**285,794**	302,040
Engineered repair services (ERS)	**84,060**	85,018	**165,629**	169,262
Revenue from contracts with customers	**$ 535,301**	$ 557,409	**$ 1,078,845**	$ 1,028,984
Equipment rental	**11,823**	10,902	**23,263**	21,665
Total	**$ 547,124**	$ 568,311	**$ 1,102,108**	$ 1,050,649

The Corporation has included $1,838 during the quarter (2024 - $4,709) and $3,696 year to date (2024 - $10,857) in equipment sales related to short-term rental contracts that are expected to convert to equipment sales within a six to twelve month period.

19. RESTRUCTURING AND OTHER RELATED COSTS

In the second quarter of 2025, the Corporation implemented a workforce reduction in response to economic conditions. A restructuring cost of $3,846 was recognized in the second quarter relating primarily to severance.

20. FINANCE COSTS

Finance costs are comprised of the following:

		Three months ended June 30		Six months ended June 30	
	Note	**2025**	2024	**2025**	2024
Interest on long-term debt	14	**$ 4,530**	$ 5,389	**$ 9,810**	$ 10,492
Unrealized (gain) loss on interest rate swaps	15	**(648)**	1,022	**567**	(408)
Interest on debentures	13	**—**	1,007	**157**	1,996
Interest on lease liabilities	11	**2,733**	2,606	**5,447**	5,149
Interest income on lease receivables		**(363)**	(249)	**(673)**	(455)
Finance costs		**$ 6,252**	$ 9,775	**$ 15,308**	$ 16,774

21. INCOME TAX EXPENSE

Income tax expense comprises current and deferred tax as follows:

For the six months ended June 30		2025		2024
Current income tax expense	**$**	**11,054**	$	12,850
Deferred income tax recovery		**(1,118)**		(1,063)
Income tax expense	**$**	**9,936**	$	11,787

The calculation of current tax is based on a combined federal and provincial statutory income tax rate of 26.0% (2024 – 26.0%). Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realized or the liability is settled. Deferred tax assets and liabilities have been measured using an expected average combined statutory income tax rate of 26.0% based on the tax rates in years when the temporary differences are expected to reverse.

The Corporation is subject to the global minimum tax under Pillar Two tax legislation. The global minimum top-up tax recognized in current income tax expense for the six months ended June 30, 2025 is nil.

The Corporation has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

The reconciliation of income taxes at Canadian statutory rates to the reported income tax expense is as follows:

For the six months ended June 30		2025		2024
Combined statutory income tax rate		**26.0%**		26.0%
Expected income tax expense at statutory rates	**$**	**10,020**	$	12,258
Non-deductible expenses		**354**		415
Changes in estimates related to prior years		**(200)**		(634)
Other		**(238)**		(252)
Income tax expense	**$**	**9,936**	$	11,787

22. CHANGES IN NON-CASH OPERATING WORKING CAPITAL

The net change in non-cash operating working capital comprises the following:

	Three months ended June 30				Six months ended June 30			
		2025		2024		2025		2024
Trade and other receivables	**$**	**33,280**	$	8,967	**$**	**21,958**	$	27,443
Contract assets		**(4,494)**		(6,070)		**(4,298)**		10,205
Inventory		**55,996**		26,765		**71,177**		(87,574)
Deposits on inventory		**1,614**		(6,241)		**3,021**		(11,788)
Prepaid expenses		**3,236**		(3,379)		**(532)**		(7,229)
Accounts payable and accrued liabilities		**(48,582)**		(14,083)		**(46,781)**		40,749
Provisions		**2,390**		262		**845**		263
Contract liabilities		**(4,554)**		93		**(5,950)**		6,421
Total	**$**	**38,886**	$	6,314	**$**	**39,440**	$	(21,510)

The change in inventory above excludes transfers of rental equipment to inventory of $415 during the quarter (2024 - $4,238) and $589 year to date (2024 - $6,334).

23. SUBSEQUENT EVENTS

On August 7, 2025, the Corporation declared a third quarter 2025 dividend of $0.35 per share.