Lorne Park Capital Partners Inc.

Interim Condensed Consolidated Financial Statements (Unaudited)

As at June 30, 2025

Interim Condensed Consolidated Financial Statements

Auditor's Involvement

In accordance with National Instrument 51-102, Part 4, subsection 4.3 (3)(a), notice is hereby given that the accompanying statements of the Company for the six-month periods ended June 30, 2025 and June 30, 2024 have not been reviewed by the Company's auditors in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of the interim consolidated financial statements by the Company's auditors.

Lorne Park Capital Partners Inc.

Interim Condensed Consolidated Statements of Financial Position ($ Canadian)

As at June 30, 2025 (Unaudited) and December 31, 2024

	June 30, 2025	December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	$ 3,489,796	$ 1,520,369
Short-term investments (Note 3)	55,000	55,000
Accounts receivable	3,561,732	4,642,665
Other current assets	212,174	981,625
	7,318,702	7,199,659
Property and equipment (Note 4)	134,040	105,100
Right-of-use assets (Note 5)	472,909	369,432
Investment in associate (Note 12)	582,942	342,917
Intangible assets (Note 11)	39,324,792	36,069,643
Deferred tax assets	150,383	170,223
Goodwill (Note 13)	7,282,740	6,242,380
Total assets	$ 55,266,508	$ 50,499,354
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Notes 8, 9, 10, 16 and 20)	$ 6,312,505	$ 5,308,440
Lease obligations (Note 17)	252,037	169,704
Owing under loan facility (Note 15)	391,736	120,815
	6,956,278	5,598,959
Long-term liabilities		
Debentures payable (Note 14)	7,981,120	8,036,702
Deferred tax liabilities	326,738	172,325
Other long-term liabilities (Notes 7, 8, 9 and 10)	4,092,155	3,308,377
Owing under loan facility (Note 15)	5,109,299	1,490,755
Lease obligations (Note 17)	292,454	275,970
Total liabilities	24,758,044	18,883,088
Shareholders' Equity		
Share capital (Note 18)	13,971,626	13,971,626
Reserve for options and warrants (Note 18)	2,137,035	1,982,376
Other reserves (Note 7)	(967,692)	(967,692)
Accumulated other comprehensive income (loss)	(13,844)	203,968
Accumulated deficit	(1,063,370)	(1,023,893)
Total shareholders' equity attributable to the Company's shareholders	14,063,755	14,166,385
Non-controlling interests	16,444,709	17,449,881
Total shareholders' equity	30,508,464	31,616,266
Total liabilities and shareholders' equity	$ 55,266,508	$ 50,499,354

Signed on the Company’s behalf by:

R. Sewell

(signed) “Robert Sewell”, Director

The accompanying notes are an integral part these interim condensed consolidated financial statements

Lorne Park Capital Partners Inc.

Interim Condensed Consolidated Statements of Operations and Comprehensive Income ($ Canadian)

For the Six-month and Three-month Periods Ended June 30, 2025 and 2024 (Unaudited)

	Six Months Ended		Three Months Ended	
	June 30, 2025	June 30, 2024	**June 30, 2025**	June 30, 2024
Revenue (Note 2(vi))				
Management and administration fees	**$ 19,191,222**	$ 16,975,706	**$ 9,619,025**	$ 8,705,244
Operating Expenses				
Salaries and benefits	**11,736,392**	10,906,215	**5,750,376**	5,566,931
Professional fees	**1,203,210**	506,581	**947,379**	315,197
Investment research fees	**682,458**	480,749	**420,362**	237,391
Direct fund costs	**736,659**	655,836	**372,708**	334,011
Rent and facility	**90,732**	70,426	**46,691**	36,205
Marketing and client retention	**196,864**	145,287	**108,295**	85,172
Depreciation and amortization	**2,139,561**	1,993,552	**1,109,674**	994,364
Other administrative costs	**534,986**	337,526	**323,792**	201,325
	17,320,862	15,096,172	**9,079,277**	7,770,596
Other Expense (Income)				
Public company expenses	**142,396**	48,049	**72,406**	26,130
Fair value and contingency adjustments (Notes 8 and 10)	**35,520**	234,767	**17,439**	118,272
Share of loss (income) from associate (Note 12)	**9,975**	-	**(4,082)**	-
Financing costs (Note 19)	**633,050**	611,472	**346,895**	305,454
Investment income (Note 19)	**(11,316)**	(15,619)	**(5,580)**	(7,947)
Share-based compensation (Note 18(iv))	**154,659**	261,182	**64,028**	198,858
	18,285,146	16,236,023	**9,570,383**	8,411,363
Earnings before income taxes	**906,076**	739,683	**48,642**	293,881
Income tax expense	**793,330**	755,696	**344,195**	436,141
Net earnings (loss)	**$ 112,746**	$ (16,013)	**$ (295,553)**	$ (142,260)
Other comprehensive income (loss)				
Net change in foreign currency translation on foreign subsidiaries	**(217,812)**	211,689	**(214,225)**	40,194
Comprehensive income (loss)	**$ (105,066)**	$ 195,676	**$ (509,778)**	$ (102,066)
Net earnings (loss) attributable to:				
Company's shareholders	**$ 945,331**	$ 801,203	**$ 122,766**	$ 265,675
Non-controlling interests	**(832,585)**	(817,216)	**(418,319)**	(407,935)
	$ 112,746	$ (16,013)	**$ (295,553)**	$ (142,260)
Weighted-average number of common shares (Note 18(v))				
Basic	**54,725,622**	54,492,432	**54,729,239**	54,510,095
Diluted	**56,601,166**	55,687,174	**56,604,783**	55,704,836
Net earnings per common share (Note 18(v))				
Basic	**$ 0.017**	$ 0.015	**$ 0.002**	$ 0.005
Diluted	**$ 0.017**	$ 0.014	**$ 0.002**	$ 0.005

The accompanying notes are an integral part these interim condensed consolidated financial statements

Lorne Park Capital Partners Inc.

Interim Condensed Consolidated Statements of Cash Flows ($ Canadian)

For the Six-month and Three-month Periods Ended June 30, 2025 and 2024 (Unaudited)

	Six Months Ended		Three Months Ended	
	June 30, 2025	June 30, 2024	**June 30, 2025**	June 30, 2024
Cash provided by (used in)				
Operating activities				
Earnings before income taxes	**$ 906,076**	$ 739,683	**$ 48,642**	$ 293,881
Income taxes paid	**(584,608)**	(771,622)	**(360,000)**	(555,692)
Changes not involving cash				
Attributed debenture interest expense (Note 14)	**15,758**	29,313	**7,926**	14,829
Fair value adjustment to the deferred consideration (Note 8)	**35,520**	234,676	**17,439**	118,181
Adjustment to the payable to non-controlling interest optionees (Note 7)	**133,700**	125,355	**65,642**	63,129
Share of loss (income) from associate (Note 12)	**9,975**	-	**(4,082)**	-
Amortization of debenture issue costs (Note 14)	**3,260**	4,401	**1,639**	2,227
Accreted interest on lease obligations (Note 17)	**17,048**	22,075	**8,431**	11,073
Amortization of intangible assets (Note 11)	**2,011,802**	1,884,644	**1,038,358**	938,724
Depreciation of property and equipment (Note 4)	**25,913**	15,207	**18,252**	7,677
Depreciation of right-of-use assets (Note 5)	**101,845**	93,701	**53,063**	47,962
Translation	**56,094**	3,388	**54,366**	(5,113)
Share-based compensation (Note 18(iv))	**154,659**	261,182	**64,028**	198,858
	2,887,042	2,642,003	**1,013,704**	1,135,736
Net interest expense (Note 19)	**452,054**	414,799	**257,450**	206,340
Net change in accounts receivable	**1,192,107**	(42,986)	**(6,171)**	(80,571)
Net change in accounts payable and accrued liabilities	**(241,124)**	(367,794)	**442,253**	442,530
Net change in other current assets	**782,968**	(201,055)	**48,242**	(52,832)
Net cash generated by operating activities	**5,073,047**	2,444,967	**1,755,478**	1,651,203
Financing activities				
Interest paid (Notes 14, 15 and 20)	**(455,095)**	(432,114)	**(198,469)**	(195,268)
Proceeds on exercise of options (Note 18(iii))	**-**	34,500	**-**	34,500
Proceeds on issuance of shares on account of ESSP (Note 18(iii) and (iv))	**140,837**	174,326	**-**	174,326
Repurchase and cancellation of shares (Note 18(iii))	**(140,837)**	-	**(140,837)**	-
Payment of lease obligations (Note 17)	**(125,809)**	(112,078)	**(67,170)**	(57,815)
Payment of dividends (Note 18(vi))	**(984,808)**	(762,647)	**(547,579)**	(381,324)
Proceeds on borrowings under loan facility (Note 15)	**4,000,000**	-	**-**	-
Repayments under loan facility (Note 15)	**(110,535)**	(59,577)	**(78,495)**	(30,099)
Payment of dividends to non-controlling interests (Note 7)	**(172,587)**	(161,328)	**-**	-
Net cash generated by (used in) financing activities	**2,151,166**	(1,318,918)	**(1,032,550)**	(455,680)
Investing activities				
Investment in other intangibles (Note 11)	**(38,400)**	(48,588)	**(19,200)**	(27,248)
Investment income (Note 19)	**11,316**	15,619	**5,580**	7,947
Acquisition of property and equipment (Note 4)	**(45,093)**	(8,796)	**(35,056)**	(5,276)
Investment in associate (Note 12)	**(250,000)**	-	**-**	-
Net payment related to acquisition of:				
1000989938 Ontario (Note 9)	**(250,000)**	-	**-**	-
WH Shutt (Note 10)	**(3,987,773)**	-	**(3,987,773)**	-
Fulcrum (Note 8)	**(694,836)**	-	**-**	-
Promus (Note 7)	**-**	(1,753,407)	**-**	-
Net cash used in investing activities	**(5,254,786)**	(1,795,172)	**(4,036,449)**	(24,577)
Net increase (decrease) in cash and cash equivalents	**1,969,427**	(669,123)	**(3,313,521)**	1,170,946
Cash and cash equivalents, beginning of period	**1,520,369**	3,518,001	**6,803,317**	1,677,932
Cash and cash equivalents, end of period	**$ 3,489,796**	$ 2,848,878	**$ 3,489,796**	$ 2,848,878

Lorne Park Capital Partners Inc.

Interim Condensed Consolidated Statements of Changes in Equity ($ Canadian)

For the Six-month Periods Ended June 30, 2025 and 2024 and the Six-month Period Ended December 31, 2024 (Unaudited)

	Number of Common Shares	Share Capital	Reserve for Options and Warrants	Other Reserves	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Equity Attributable to Company's Shareholders	Non-Controlling Interests	Total Shareholders' Equity
Balance, December 31, 2023	54,474,770	$ 13,741,631	$ 1,550,185	$ (1,329,204)	$ (191,327)	$ (2,441,998)	$ 11,329,287	$ 19,201,979	$ 30,531,266
Net earnings (loss)	-	-	-	-	-	801,203	801,203	(817,216)	(16,013)
Other comprehensive income	-	-	-	-	211,689	-	211,689	-	211,689
Exercise of options (Notes 18(iii))	47,500	55,395	(20,895)	-	-	-	34,500	-	34,500
Issuance of shares on account of ESSP (Notes 18(iii) and (iv))	121,060	174,326	-	-	-	-	174,326	-	174,326
Common share dividends (Note 18(vi))	-	-	-	-	-	(762,647)	(762,647)	-	(762,647)
Payments to non-controlling interests (Note 7)	-	-	-	-	-	-	-	(161,328)	(161,328)
Share-based compensation (Note 18(iv))	-	-	261,182	-	-	-	261,182	-	261,182
Balance, June 30, 2024	54,643,330	$ 13,971,352	$ 1,790,472	$ (1,329,204)	$ 20,362	$ (2,403,442)	$ 12,049,540	$ 18,223,435	$ 30,272,975
Net earnings (loss)	-	-	-	-	-	2,253,842	2,253,842	(773,554)	1,480,288
Other comprehensive income	-	-	-	-	183,606	-	183,606	-	183,606
Adjustment to the payable to non-controlling interest optionees (Note 7)	-	-	-	361,512	-	-	361,512	-	361,512
Exercise of options (Notes 18(iii))	10,245	274	(3,865)	-	-	-	(3,591)	-	(3,591)
Common share dividends (Note 18(vi))	-	-	-	-	-	(874,293)	(874,293)	-	(874,293)
Share-based compensation (Note 18(iv))	-	-	195,769	-	-	-	195,769	-	195,769
Balance, December 31, 2024	54,653,575	$ 13,971,626	$ 1,982,376	$ (967,692)	$ 203,968	$ (1,023,893)	$ 14,166,385	$ 17,449,881	$ 31,616,266
Net earnings (loss)	-	-	-	-	-	945,331	945,331	(832,585)	112,746
Other comprehensive loss	-	-	-	-	(217,812)	-	(217,812)	-	(217,812)
Issuance of shares on account of ESSP (Notes 18(iii) and (iv))	104,324	140,837	-	-	-	-	140,837	-	140,837
Repurchase and cancellation of shares on account of ESSP (Notes 18(iii) and (iv))	(104,324)	(140,837)	-	-	-	-	(140,837)	-	(140,837)
Common share dividends (Note 18(vi))	-	-	-	-	-	(984,808)	(984,808)	-	(984,808)
Payments to non-controlling interests (Note 7)	-	-	-	-	-	-	-	(172,587)	(172,587)
Share-based compensation (Note 18(iv))	-	-	154,659	-	-	-	154,659	-	154,659
Balance, June 30, 2025	**54,653,575**	**$ 13,971,626**	**$ 2,137,035**	**$ (967,692)**	**$ (13,844)**	**$ (1,063,370)**	**$ 14,063,755**	**$ 16,444,709**	**$ 30,508,464**

1. Nature of Operations

Lorne Park Capital Partners Inc. (the "Company" or "LPCP") is a Tier II issuer on the TSX Venture Exchange ("TSX-V") and its common shares trade under the symbol "LPC-V". The address of the registered office for the Company and its wholly owned Canadian subsidiaries, Bellwether Investment Management Inc. ("Bellwether") and Bellwether Estate and Insurance Services Inc. ("Bellwether Estate"), is 1295 Cornwall Road, Unit A3, Oakville, Ontario, Canada. The address of the registered office for its wholly owned USA subsidiary, Bellwether Investment Management USA, Inc. ("Bellwether USA") is 108 Lakeland Avenue, Dover, Kent County, Delaware, USA.

Bellwether is the Manager and Trustee of the Bellwether Funds (the "Funds") and is registered as a Portfolio Manager ("PM") as well as an Exempt Market Dealer ("EMD") and Investment Fund Manager ("IFM") with the Ontario Securities Commission, its primary regulator. Bellwether Estate is registered as an insurance agent corporation with the Financial Services Commission of Ontario. Bellwether USA is a Delaware corporation.

As at June 30, 2025, 43.3% (December 31, 2024 – 43.3%) of the Company's common shares were held by its Chief Executive Officer and by a member of the Board of Directors.

2. Material Accounting Policies

(i) Basis of Presentation and Statement of Compliance

The interim condensed consolidated financial statements for the six and three months ended June 30, 2025 have been prepared in accordance with IFRS® Accounting Standards issued by the International Accounting Standards Board ("IASB") and IFRIC® Interpretations of the IFRS Interpretations Committee, following the same accounting policies and methods of computation as the audited consolidated financial statements for the fiscal year ended December 31, 2024. The interim condensed consolidated financial statements do not include all the disclosures included in the annual audited consolidated financial statements and accordingly should be read in conjunction with the December 31, 2024 annual audited consolidated financial statements and the notes thereto. Certain prior year amounts have been reclassified for consistency with the current period presentation. All intercompany balances, transactions, income and expenses, and losses have been eliminated on consolidation.

The interim condensed consolidated financial statements were authorized for issuance by the Board of Directors of the Company on July 30, 2025.

(ii) Basis of Measurement

The interim condensed consolidated financial statements have been prepared under the historical cost convention except for certain financial assets and liabilities which have been measured at fair value. The Company's functional currency is the Canadian dollar.

The functional currency of Bellwether USA, Promus Asset Management, LLC, and Fulcrum Equity Management, LLC is US dollars. The functional currency of Bellwether and Bellwether Estate is Canadian dollars.

2. Material Accounting Policies (Continued)

(iii) Basis of Consolidation

a. Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of the other entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the interim condensed consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Company.

The Company considers several factors in determining whether it has power over another entity which it will be able to use to obtain benefits.

1. When voting rights are relevant in determining power over an entity, the Company considers its: existing voting rights; potential voting rights that are currently exercisable and have no substantive barriers to exercise; agreements with other vote holders; rights from other contractual arrangements; economic interests; or a combination of the foregoing. Offsetting these factors, the Company considers matters which prevent it from the exercise of power.
2. When voting rights are not relevant in determining power over an entity, the Company considers: evidence of its practical ability to direct the activities of the entity for the Company's benefit; indications of a special relationship between it and the entity; and whether it has a significant exposure to variability of returns. In evaluating these three factors, the Company gives greater weight to evidence of its ability to direct the activities of the entity, for its benefit.

The Company's significant operating subsidiaries during the periods and ownership interest at period ends are as follows:

	Country of organization	**June 30, 2025**	December 31, 2024
		Voting ownership interest	
Bellwether Investment Management Inc.	Canada	**100%**	100%
Bellwether Estate and Insurance Services Inc.	Canada	**100%**	100%
Bellwether Investment Management USA, Inc.	United States	**100%**	100%
Promus Asset Management, LLC	United States	**80%**	80%
Fulcrum Equity Management, LLC	United States	**100%**	100%

b. Non-controlling interests of a subsidiary

To the extent that they represent a residual interest in the Company's assets, non-controlling interests ("NCI") in subsidiaries are shown as a component of the equity section of the consolidated statements of financial position. NCIs in a subsidiary which do not represent a residual interest in the Company's net assets are shown as a component of the Company's liabilities.

2. Material Accounting Policies (Continued)

(iii) Basis of Consolidation (Continued)

c. Changes in the ownership of a subsidiary

Transactions which result in a change in the Company's ownership interest in a subsidiary but do not result in a loss of control of that subsidiary are recorded in equity in their entirety. The non-controlling interests are adjusted to reflect the changes in their relative interest in the carrying value of the subsidiary and any difference between the consideration paid or received is recorded in retained earnings. For future transactions, which are at the option of the non-controlling interest, the estimated future consideration is shown as a liability and as an obligation to non-controlling interest within equity and any changes in the balances are reflected within equity.

d. Transactions eliminated on consolidation

All inter-company transactions, balances, income and expenses between the consolidated entities are eliminated on consolidation.

e. Investments in associates

The equity method of accounting is applied to investments where the Company has the ability to exercise significant influence, but not control, over operating and financial matters. Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets of the associate since the acquisition date. The Consolidated Statement of Operations reflects the Company's share of the profit or loss of the associate after tax and non-controlling interests in the associate.

After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss within 'Share of profit or loss of an associate' in the statement of operations.

Upon loss of significant influence over the associate, the Company measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

2. Material Accounting Policies (Continued)

(iv) Foreign Currency Translation

Amounts denominated in foreign currencies included in these interim condensed consolidated financial statements are accounted as follows:

a. Foreign currency denominated monetary items are converted into the functional currency at the reporting date exchange rates. Revenues and expenses are converted into the functional currency at the rates of exchange prevailing on the respective dates of such transactions. Foreign exchange gains and losses, if any, resulting from the foregoing, are included in other administrative costs in the interim condensed consolidated statements of operations and comprehensive income.

b. Certain of the Company's subsidiaries use functional currencies which are different from the Company's functional currency, Canadian dollars. For these subsidiaries, assets and liabilities have been translated into Canadian dollars at exchange rates prevailing at the reporting date and revenues and expenses at average monthly rates. Adjustments resulting from the translation of balance sheets and net earnings of the Company's foreign operations are recorded as foreign currency translation adjustments in other comprehensive income, and the cumulative balance is included in accumulated other comprehensive income in the shareholders' equity section of the interim condensed consolidated statements of financial position.

(v) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if the rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate, estimated to be 7%, as the discount rate (December 31, 2024 – 8%).

The Company has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of less than 12 months and leases of low-value assets. The lease payments associated with these leases is recognized as an expense on a straight-line basis over the lease term.

2. Material Accounting Policies (Continued)

(vi) Revenue Recognition

The Company has adopted IFRS 15, Revenue from Contracts with Customers. The standard is based on the principle that revenue is recognized at an expected amount of consideration in exchange for transferring promised goods or services to a customer. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

The Company's revenue consists primarily of investment management fees. At Bellwether, investment management fees are primarily calculated and charged monthly based on the month end assets under management multiplied by an agreed rate with the client. At Promus, investment management fees are primarily calculated and charged quarterly in advance based on the prior quarter end assets under management multiplied by an agreed rate with the client. At Fulcrum, investment management fees may be calculated and charged quarterly in advance or in arrears based on the applicable period end assets under management multiplied by an agreed rate with the client. Fees are recognized when the performance obligation has been completed, the fees are no longer susceptible to market factors, and it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. At Bellwether and in part at Fulcrum, consideration is collected within a short period from the date of revenue recognition. At Promus and in part at Fulcrum, for the consideration that is collected in advance, deferred revenue is recognized until the revenue recognition criteria has been met. As at June 30, 2025, there was no amount in deferred revenue (December 31, 2024 - $Nil).

In addition, Bellwether can earn a performance fee on one of its managed pooled funds, the Bellwether Canadian Performance Fund, equal to 20% of the amount by which the performance of the fund exceeds 12% per annum, calculated and payable at the end of the year. The performance fee is recognized when the amount is no longer susceptible to market factors and it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Consideration is collected within a short period from the date of revenue recognition. During the six and three months ended June 30, 2025 and 2024, the Company did not recognize a performance fee.

2. Material Accounting Policies (Continued)

(vii) Use of Judgments, Estimates and Assumptions

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. The following are the key estimates and assumption uncertainties that are significant for the six-month and three-month periods ended June 30, 2025 and 2024, and as at June 30, 2025 and December 31, 2024:

i. Valuation of the fair value of the debentures payable (Note 14)
ii. Valuation of the share-based compensation (Note 18)
iii. Valuation of the fair value of the customer relationship intangible assets (Notes 7, 8, 9, 10 and 11)
iv. Judgement with respect to investment in associate (Note 12)
v. Valuation of the fair value of deferred consideration (Notes 7, 8 and 10)
vi. Valuation of the fair value of put option for the non-controlling interest optionees (Note 7)
vii. Valuation of the fair value of payable to non-controlling interest optionees (Note 7)
viii. Goodwill impairment test (Note 13)
ix. Valuation of the fair value of the right-of-use assets and lease obligations (Notes 5 and 17)
x. Judgement with respect to determining whether a present obligation exists and in estimating the probability, timing and amount of any outflows as it relates to contingencies (Note 16)
xi. Judgement with respect to determining whether the acquisition is a business (Note 9)
xii. Estimates relating to the expected retention period of the client relationships (Note 11)
xiii. Estimates relating to the useful life of property and equipment (Note 4)

In the preparation of these interim condensed consolidated financial statements management has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can influence the amounts recognized in the interim condensed consolidated financial statements.

(viii) Goodwill Impairment

Goodwill is allocated to cash-generating units ("CGU") for the purposes of impairment testing based on the level at which management monitors it, which is not higher than an operating segment. The allocation is made to those CGU's that are expected to benefit from the business combination in which the goodwill arose. The Company is required to test, at least annually, whether goodwill has suffered any impairment. The recoverable amount is the higher of fair value less costs to sell and the value in use. The use of this method requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. Actual outcomes may vary. An impairment loss with respect to goodwill is never reversed.

2. Material Accounting Policies (Continued)

(ix) Business Combinations

Acquisitions of a business or entity are reported as a business combination and accounted for using the acquisition method. The purchase price for each acquisition is measured as the aggregate of the fair values at the date of exchange of assets given, liabilities incurred or assumed, contingent consideration and equity instruments issued by the Company in exchange for control of the acquiree. Acquisition costs incurred are expensed and included in professional fees. Under the acquisition method, assets, liabilities and contingent liabilities acquired are initially recorded at the fair value as of the acquisition date. The excess of the purchase price over the fair values of identifiable assets, liabilities and contingent liabilities recognized, is recorded as goodwill. The Company elects on a transaction-by-transaction basis whether to measure any non-controlling interest at fair value, or at the proportionate share of the recognized amount of the identifiable net assets of the acquired subsidiary, at the acquisition date.

(x) Property and Equipment

Items of property and equipment are recorded at cost less accumulated depreciation and impairment losses. The Company recognizes, in the carrying amount of an item of equipment, the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Company and the cost of the item can be measured reliably. All other costs are charged to profit or loss as incurred.

Depreciation of equipment is provided on a declining-balance basis over the estimated useful lives at the following annual rates: computer equipment – 30%; furniture and fixtures – 20%. Leasehold improvements are amortized on a straight-line basis over the term of the lease.

(xi) Intangible Assets

Intangible assets include acquired client relationships and computer software. Acquired client relationships have been assessed to have finite lives, and accordingly, are amortized on a straight-line basis over an estimate of the expected retention period of the clients acquired. The computer software is amortized on a straight-line basis over five years. Amortization methods and useful lives of the intangible assets are reviewed annually and adjusted, if appropriate. Intangible assets are derecognized upon disposal or when they are fully amortized and no longer in use.

3. Short-Term Investments

As at June 30, 2025, short-term investments include $55,000 (December 31, 2024 – $55,000) in guaranteed investment certificates.

4. Property and Equipment

	Computer Equipment	Furniture and Fixtures	Leasehold Improvements	Total
Cost				
As at December 31, 2023	$ 111,363	$ 89,892	$ 114,501	$ 315,756
Acquisitions during the year	11,969	1,193	-	13,162
As at December 31, 2024	123,332	91,085	114,501	328,918
Acquisitions during the period	19,342	19,696	6,055	45,093
Arising from the acquisition of WH Shutt (Note 10)	4,013	5,747	-	9,760
As at June 30, 2025	**$ 146,687**	**$ 116,528**	**$ 120,556**	**$ 383,771**
Accumulated depreciation				
As at December 31, 2023	$ 79,331	$ 70,577	$ 43,287	$ 193,195
Depreciation during the year	10,252	3,615	16,756	30,623
As at December 31, 2024	89,583	74,192	60,043	223,818
Depreciation during the period	9,127	7,619	9,167	25,913
As at June 30, 2025	**$ 98,710**	**$ 81,811**	**$ 69,210**	**$ 249,731**
Net book value, as at December 31, 2024	$ 33,749	$ 16,893	$ 54,458	$ 105,100
Net book value, as at June 30, 2025	**$ 47,977**	**$ 34,717**	**$ 51,346**	**$ 134,040**

5. Right-of-Use Assets

All of the Company's right-of-use assets are for office space under lease arrangements. Information on the related lease obligations is disclosed in Note 17.

		Offices
Cost		
As at December 31, 2023	$	826,598
Increases		67,327
Decreases		(176,178)
As at December 31, 2024	$	717,747
Increases		205,322
Decreases		(67,327)
As at June 30, 2025	**$**	**855,742**
Accumulated depreciation		
As at December 31, 2023	$	334,549
Depreciation		189,944
Decreases		(176,178)
As at December 31, 2024	$	348,315
Depreciation		101,845
Decreases		(67,327)
As at June 30, 2025	**$**	**382,833**
Net book value, as at December 31, 2024	$	369,432
Net book value, as at June 30, 2025	**$**	**472,909**

6. Acquisition of Advisor Book of Business

On September 18, 2015, the Company entered into an agreement with an investment advisor to acquire that advisor's book of business (the "Book") for a total purchase price of $793,701, including recruitment fees and legal costs. The advisor became an employee of the Company and was being compensated based on the revenues of the Book. The Company was committed to an additional earn-out payment related to the Book at the time the advisor voluntarily retires or is terminated by the Company.

On January 31, 2022, the earn-out payment was triggered, resulting in an obligation by the Company to pay an earn-out of $643,221, subject to the satisfaction of certain conditions. As at December 31, 2023, $643,221 was recorded in accounts payable and accrued liabilities on the consolidated statement of financial position, and this amount was paid during the year ended December 31, 2024.

7. Acquisition of Promus Asset Management, LLC

On December 30, 2022, Bellwether USA completed the acquisition of 80% of the membership interests of Promus Asset Management, LLC ("Promus"). Promus is a Texas limited liability company, registered with the Securities and Exchange Commission as an investment advisor.

The purchase agreement included an option for the minority interest holders to exchange minority interests for cash consideration, subject to specific terms. Although it is conditional on the non-controlling interest holders to exercise this right, the Company concluded that this represents a financial liability, and it was recorded on December 31, 2022 at a value of $1,329,204, which, together with the fair value of the put option of $115,543, represented the present value of the expected redemption amount. It was also concluded that the risks and rewards of ownership of the non-controlling interests resides with the non-controlling interests, and as such, the value of the financial liability of $1,329,204 was recorded in other reserves within shareholders' equity.

During the six months ended June 30, 2025, a distribution of $862,935 (June 30, 2024 – $806,640) was made by Promus, of which $172,587 (June 30, 2024 – $161,328) was paid to the non-controlling interest optionees.

A summary of the liabilities relating to the Promus acquisition are as follows:

		June 30, 2025		December 31, 2024
Payable to non-controlling interest optionees (i)		**1,625,498**		1,577,895
Fair value of put option		**116,387**		122,751
	$	**1,741,885**	$	1,700,646
Current portion (included within accounts payable and accrued liabilities)	**$**	**-**	$	-
Long-term portion (included within other long-term liabilities)		**1,741,885**		1,700,646
	$	**1,741,885**	$	1,700,646

(i) The adjustments to the payable to non-controlling interest optionees were recorded within financing costs on the interim consolidated statement of operations and comprehensive income. During the year ended December 31, 2024, an additional adjustment was made to reduce the amount by $361,512, which was recorded in other reserves within shareholders' equity.

8. Acquisition of Fulcrum Equity Management, LLC

On December 15, 2023, Bellwether USA completed the acquisition of 100% of the membership interests of Fulcrum Equity Management, LLC ("Fulcrum"). Fulcrum is a Texas limited liability company, registered with the Securities and Exchange Commission as an investment advisor.

The purchase agreement included three future cash payments of US$537,500, each due within 30 days following December 31, 2024, 2025 and 2026. These deferred cash payments are each subject to adjustments based on the trailing revenue of Fulcrum on the payment dates and were recorded at a fair value of $1,727,541 (US$1,286,234) at December 31, 2023 using various assumptions including a discount rate of 22.8%.

The purchase agreement also included a future cash payment equal to the trailing 12 months revenue relating to two specific potential clients, due within 30 days following December 31, 2026. The fair value of this deferred payment was recorded at $307,570 (US$229,000) at December 31, 2023 and was estimated using various assumptions including a discount rate of 22.8%. During the year ended December 31, 2024, the Company determined the deferred new business consideration was no longer likely to be paid, and as such reduced the fair value to nil. This adjustment was recorded within fair value and contingency adjustments on the consolidated statement of operations and comprehensive income.

A summary of the liabilities relating to the Fulcrum acquisition are as follows:

		June 30, 2025		December 31, 2024
Deferred consideration (i)	**$**	**1,391,763**	$	2,126,440
	$	**1,391,763**	$	2,126,440
Current portion	**$**	**724,690**	$	698,709
Long-term portion (included within other long-term liabilities)		**667,073**		1,427,731
	$	**1,391,763**	$	2,126,440

(i) The fair value adjustments to the deferred consideration were recorded within fair value and contingency adjustments on the consolidated statement of operations and comprehensive income.

9. Acquisition of 1000989938 Ontario Inc.

On October 31, 2024, Bellwether completed the acquisition of 100% of the outstanding securities of 1000989938 Ontario Inc. (“1000989938 Ontario”). 1000989938 Ontario was an Ontario corporation that was owned by an advisor engaged with Bellwether. On the date of the acquisition, 1000989938 Ontario had approximately $63 million in assets under management, all of which was managed by Bellwether. Following the acquisition, 1000989938 Ontario transferred the assets under management to Bellwether, and 1000989938 Ontario was dissolved.

The Company identified the only asset of 1000989938 Ontario as client relationship intangible assets and concluded that 1000989938 Ontario is not a business as defined in IFRS 3 Business Combinations.

The total purchase price was $1,900,000 and consisted of $1,470,000 on closing, $250,000 within 30 days following January 1, 2025 and $180,000 within 30 days following January 1, 2026. The Company assessed the value of the client relationship intangible assets to approximate the total purchase price of $1,900,000. The Company incurred $15,016 in legal costs related to the transaction. These intangible assets are expected to have a finite life and will be amortized over a 19-year period.

10. Acquisition of W.H. Shutt & Associates Inc.

On April 1, 2025, Bellwether completed the acquisition of 100% of the outstanding securities of W.H. Shutt & Associates Inc. (“WH Shutt”) and Shutt Family Holdings Inc. (“SFH”). SFH is an Ontario corporation that is a holding company, holding shares in WH Shutt. WH Shutt is an Ontario corporation that had approximately $190 million in AUM, all of which was managed by Bellwether.

The transaction was accounted for as a business combination in accordance with guidance provided in IFRS 3 Business Combinations. The Company completed an analysis of the consideration transferred and the net assets acquired, as noted below.

The fair value of the consideration transferred was as follows:

Cash paid on closing	$ 4,000,000
Deferred consideration (i)	2,523,970
Working capital consideration (ii)	66,096
	$ 6,590,066

(i) Included in the WH Shutt purchase agreement are three future cash payments of $833,333, each due on April 1, 2026, 2027 and 2028. These deferred cash payments are each subject to adjustments based on the trailing revenue generated by the WH Shutt AUM on the payment dates, and have been recorded at a fair value of $2,523,970 using various assumptions including a discount rate of 25.2%.

(ii) Also included in the WH Shutt purchase agreement is a cash payment equal to the net working capital balance of WH Shutt and SFH on the closing date. This amount was $66,096 and was paid subsequent to June 30, 2025.

10. Acquisition of W.H. Shutt & Associates Inc. (Continued)

The fair value of the net assets of WH Shutt and SFH, including goodwill, was as follows:

Cash and cash equivalents	$	12,227
Accounts receivable		111,174
Other current assets		13,517
Property and equipment		9,760
Accounts payable and accrued liabilities		(70,822)
Deferred tax liabilities		(267,440)
Client relationships (i)		5,505,000
Goodwill (iii)		1,276,650
	$	6,590,066

(i) As part of the acquisition of WH Shutt, the Company identified client relationships intangible assets. These client relationships were valued using an excess earnings approach based on various assumptions and estimates including an annual market growth rate of 5% and a discount rate of 25.2%. These intangible assets are expected to have a finite life and will be amortized over a 20-year period.

(ii) Goodwill represents the excess of the consideration transferred over the fair value of the identifiable net assets acquired. The Company expects to generate cost synergies between WH Shutt and Bellwether. Such synergies include cost synergies through rationalization of duplicated functions, and scale efficiencies.

The Company incurred $26,790 in transaction costs related to the acquisition during the six months ended June 30, 2025. These costs were primarily relating to legal and accounting expenses which were included in professional fees on the consolidated statements of operations and comprehensive income.

From the date of acquisition to June 30, 2025, the acquisition of WH Shutt resulted in incremental earnings of $181,388 before taxes and before amortization relating to the acquired intangible assets.

If the acquisition would have occurred January 1, 2025, during the six months ended June 30, 2025, management estimates the incremental earnings to be $350,000 before taxes and before amortization. In determining these amounts, management has assumed that the fair value adjustments determined above, which arose on the date of acquisition, would have been the same if the acquisition had occurred on January 1, 2025.

A summary of the liabilities relating to the WH Shutt acquisition are as follows:

		June 30, 2025		December 31, 2024
Deferred consideration	**$**	**2,523,970**	$	-
Working capital consideration		**66,096**		-
	$	**2,590,066**	$	-
Current portion (included within accounts payable and accruals)	**$**	**906,869**	$	-
Long-term portion (included within other long-term liabilities)		**1,683,197**		-
	$	**2,590,066**	$	-

11. Intangible Assets

Intangible assets include the following finite life assets:

	June 30, 2025			December 31, 2024		
	Client Relationships	**Computer Software**	**Total**	Client Relationships	Computer Software	Total
Intangible assets, cost						
As at beginning of the period	**$ 50,338,906**	**$ 216,710**	**$ 50,555,616**	$ 47,913,333	$ 129,722	$ 48,043,055
Additions during the period						
Arising from the acquisition of WH Shutt (Note 10)	**5,505,000**	**-**	**5,505,000**	-	-	-
Arising from the acquisition of 1000989938 Ontario (Note 9)	**-**	**-**	**-**	1,915,016	-	1,915,016
Other additions	**-**	**38,400**	**38,400**	-	86,988	86,988
Translation	**(327,494)**	**-**	**(327,494)**	510,557	-	510,557
As at end of the period	**$ 55,516,412**	**$ 255,110**	**$ 55,771,522**	$ 50,338,906	$ 216,710	$ 50,555,616
Intangible assets, accumulated amortization						
As at beginning of the period	**$ 14,446,455**	**$ 39,518**	**$ 14,485,973**	$ 10,651,762	$ 8,813	$ 10,660,575
Amortization during the period	**1,990,131**	**21,671**	**2,011,802**	3,744,551	30,705	3,775,256
Translation	**(51,045)**	**-**	**(51,045)**	50,142	-	50,142
As at end of the period	**$ 16,385,541**	**$ 61,189**	**$ 16,446,730**	$ 14,446,455	$ 39,518	$ 14,485,973
Net book value						
As at end of the period	**$ 39,130,871**	**$ 193,921**	**$ 39,324,792**	$ 35,892,451	$ 177,192	$ 36,069,643

The weighted average remaining life of the client relationship intangible assets as at June 30, 2025 is 9.5 years (December 31, 2024 – 9.3 years). The weighted average remaining life of the computer software intangible assets as at June 30, 2025 is 3.8 years (December 31, 2024 – 4.1 years).

12. Investment in Associate

On December 17, 2024, the Company acquired 30% of the voting shares of Sakara Capital Inc. ("Sakara"). Sakara is a private equity management firm in pre-revenue stage and is not listed on any public exchange. The Company's interest in Sakara is accounted for using the equity method in the consolidated financial statements. Significant influence arises from board representation, participating in the policy making process and anticipated intercompany transactions.

As part of the arrangement, the Company will contribute up to a maximum amount of $1,000,000 in exchange for 30% interest in the voting shares of Sakara. The Company contributions will be used to fund Sakara operating activities. The Company will receive distributions from Sakara at 50% until such time as the Company is fully repaid its investment, following which the distributions will be based on percentage ownership.

The arrangement also includes a purchase option beginning at the end of the third calendar year after closing for the Company to increase its voting interest in Sakara to 50% based on a pre-defined valuation formula. The Company has concluded this is not a financial instrument.

As at December 31, 2024, the Company contributed $250,000 and incurred $95,284 in legal fees relating to the investment. During the six months ended June 30, 2025, the Company contributed a further $250,000. As at June 30, 2025, there were no distributions made by Sakara.

The following table sets forth the changes relating to the investment in Sakara as at June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
Balance, as at the beginning of the period	**$ 342,917**	$ -
Investments made	**250,000**	250,000
Fees incurred relating to the investment	**-**	95,284
Share of loss	**(9,975)**	(2,367)
Balance, as at the end of the period	**$ 582,942**	$ 342,917

The following table sets forth certain summary financial information from Sakara:

	As at June 30, 2025	As at December 31, 2024
Total assets	**$ 362,853**	$ 252,636
Total liabilities	**307,053**	336,319

	For the six months ended June 30, 2025	For the year ended December 31, 2024
Revenue	**$ 502,750**	$ -
Net loss available to common shareholders	**33,251**	359,769
Total comprehensive loss	**33,251**	359,769

13. Goodwill

As at June 30, 2025, the Company had goodwill of $7,282,740 (December 31, 2024 – $6,242,380), which arose from various acquisitions. Goodwill is attributable to the addition of experienced teams of professionals, cost synergies and expanded national and international reach resulting from those acquisitions.

	Goodwill
As at December 31, 2023	$ 5,874,008
Translation	368,372
As at December 31, 2024	6,242,380
Acquired: WH Shutt (Note 10)	1,276,650
Translation	(236,290)
As at June 30, 2025	**$ 7,282,740**

Impairment Assessment of Goodwill

The Company identified three CGUs, Canada wealth management, Promus and Fulcrum as the group's CGUs, which are considered the smallest identifiable group of assets that generates cash flows that are largely independent of the cash flows from other assets in the group. The Company assesses goodwill for any impairment annually on September 30, or earlier if there are indicators of impairment. No impairment was recognized as at June 30, 2025 and December 31, 2024.

14. Debentures Payable

(i) August 15, 2019 Offering

On August 15, 2019, the Company closed a non-brokered private placement offering of debentures for an aggregate principal amount of $3,199,000 and related costs of $12,948. The debentures are unsecured, mature and become payable on August 15, 2024, and bear interest at a rate of 8% per annum, paid semi-annually. $450,000 of the debentures are subscribed to by related parties of the Company (Note 18).

The debentures are financial instruments and the private placement included the granting of 799,750 investor warrants that were embedded derivatives within the transaction. Thus, the principal amount was bifurcated from the cost of the related warrants and the debentures were recorded at an acquisition value of $3,107,292 based on a fair-value discount rate of 8.7%.

On August 15, 2024, the Company repaid the aggregate principal amount of $3,199,000.

14. Debentures Payable (Continued)

(ii) October 4, 2019 Offering

On October 4, 2019, the Company closed a non-brokered private placement offering of debentures for an aggregate principal amount of $1,042,000 and related costs of $5,200. The debentures are unsecured, mature and become payable on October 4, 2024, and bear interest at a rate of 8% per annum, paid semi-annually.

The debentures are financial instruments and the private placement included the granting of 260,500 investor warrants that were embedded derivatives within the transaction. Thus, the principal amount was bifurcated from the cost of the related warrants and the debentures were recorded at an acquisition value of $1,010,423 based on a fair-value discount rate of 8.8%.

On August 15, 2024, the Company repaid the aggregate principal amount of $1,010,000, and the remaining $32,000 was repaid on October 4, 2024.

(iii) June 15, 2022 Offering

On June 15, 2022, the Company closed a non-brokered private placement offering of debentures for an aggregate principal amount of $2,939,000 and related costs of $23,905. The debentures are unsecured, mature and become payable on June 15, 2027, and bear interest at a rate of 7% per annum, paid semi-annually. $550,000 of the debentures are subscribed to by related parties of the Company (Note 18).

The debentures are financial instruments and the private placement included the granting of 734,750 investor warrants that were embedded derivatives within the transaction. Thus, the principal amount was bifurcated from the cost of the related warrants and the debentures were recorded at an acquisition value of $2,782,865 based on a fair-value discount rate of 8.3%.

(iv) July 31, 2023 Offering

On July 31, 2023, the Company closed a non-brokered private placement offering of debentures in US dollars for an aggregate principal amount of US$1,000,000. The debentures are unsecured, mature and become payable on July 31, 2028, and bear interest at a rate of 8.25% per annum, paid in US dollars semi-annually. On the closing date, the Company recorded the debenture payable as $1,322,120 in Canadian dollars, and the amount has been revalued at each period end based on the reporting date exchange rate.

(v) August 15, 2024 Offering

On August 15, 2024, the Company closed a non-brokered private placement offering of debentures for an aggregate principal amount of $3,764,000, and related costs of $8,541. The debentures are unsecured, mature and become payable on August 15, 2029, and bear interest at a rate of 7.8% per annum, paid semi-annually. $400,000 of the debentures are subscribed to by related parties of the Company (Note 21).

14. Debentures Payable (Continued)

Summary

Debentures payable as at June 30, 2025 and December 31, 2024 are as follows:

		June 30, 2025		December 31, 2024
Debentures payable, as at the beginning of the year	**$**	**8,036,702**	$	8,348,089
New issuances				
Proceeds on issuance		**-**		3,764,000
Issue costs incurred		**-**		(8,541)
Repayment of debentures		**-**		(4,241,000)
Translation		**(74,600)**		116,300
Amortization of issue costs		**3,260**		8,157
Attributed interest expense		**15,758**		49,697
	$	**7,981,120**	$	8,036,702
Current portion	**$**	**-**	$	-
Long-term portion		**7,981,120**		8,036,702
	$	**7,981,120**	$	8,036,702

15. Loan Facility

On June 26, 2023 Bellwether entered into a loan agreement (the "Loan Agreement") with CWB Maxium Financial Inc. ("CWB Maxium"). The Loan Agreement provides a $10 million deferred draw term loan facility for acquisitions and general corporate purposes, has a term of up to five years, is secured against all of the assets of Bellwether, and is guaranteed by the Company and Bellwether USA. Funds may be advanced in Canadian or U.S. dollars. The term of each advance shall be at least 36 months and not greater than 60 months, and have an amortization period of up to 120 months.

Advances will bear annual interest as follows:

i. In the case of Canadian dollar advances, the Government of Canada bond rate with a maturity date most closely equivalent to the term of the advance plus 4.35%
ii. In the case of U.S. dollar advances, the yield on the non-callable US Treasury bond with a maturity date most closely equivalent to the term of the advance plus 4.35%

A standby fee of 0.75% per annum will be applied to the undrawn amount of the limit and paid on a quarterly basis.

15. Loan Facility (Continued)

The Loan Agreement is subject to the following financial covenants, tested quarterly on a rolling 12-month period:

i. Debt service coverage ratio for Bellwether of at least 1.35 to 1
ii. Total funded debt to EBITDA ratio for Bellwether of less than 3.5 to 1
iii. Total funded debt to EBITDA ratio for the Company on a consolidated basis of less than 4.0 to 1

As at June 30, 2025 and December 31, 2024, the Company was in compliance with all covenants, terms and conditions.

The outstanding principal owing under the loan facility as at June 30, 2025 and December 31, 2024 is as follows:

	June 30, 2025	December 31, 2024
Amounts outstanding, as at the beginning of the period	**$ 1,611,570**	$ 1,733,259
Borrowings	**4,000,000**	-
Repayments	**(110,535)**	(121,689)
	$ 5,501,035	$ 1,611,570
Current portion	**$ 391,736**	$ 120,815
Long-term portion	**5,109,299**	1,490,755
	$ 5,501,035	$ 1,611,570

(i) On March 31, 2025, the Company borrowed $4,000,000 at an annual interest rate of 6.93%, an amortization period of 120 months, and with maturity on April 1, 2028. The monthly payments of principal and interest are $46,308 from May 1, 2025 through to March 1, 2028, and a final payment of $3,121,518 due on April 1, 2028.

(ii) On July 28, 2023, the Company borrowed $1,770,000 at an annual interest rate of 8.36%, an amortization period of 120 months, and with maturity on August 1, 2028. The monthly payments of principal and interest are $21,833 from September 1, 2023 through to July 1, 2028, and a final payment of $1,089,515 due on August 1, 2028.

16. Contingencies

In the ordinary course of business activities, the Company may be contingently liable for litigation and claims. Management believes that adequate provisions have been recorded in the accounts for claims and contingencies, where required.

Provisions are liabilities of uncertain timing or amount and are recognized when there is a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are measured as the best estimate of the consideration required to settle the present obligation at the reporting date. Significant judgment is required in determining whether a present obligation exists and in estimating the probability, timing and amount of any outflows.

16. Contingencies (Continued)

As at December 31, 2023, the Company had a provision related to existing and potential litigation in the amount of $363,938 recorded in accounts payable and accrued liabilities on the consolidated statement of financial position. During the year ended December 31, 2024, the Company settled an outstanding claim, resulting in the usage of its provision and an additional charge of $396,603, which was recorded in fair value and contingency adjustments on the consolidated statement of operations and comprehensive income.

As at June 30, 2025, the Company has a provision of $31,338 (December 31, 2024 – $200,000) relating to existing and probable regulatory and compliance exposure. This amount is recorded in accounts payable and accrued liabilities on the consolidated statement of financial position.

17. Lease Obligations

Lease obligations as at June 30, 2025 and December 31, 2024 are as follows:

		June 30, 2025		December 31, 2024
Lease obligations, as at the beginning of the period	**$**	**445,674**	$	562,465
Payment of lease obligations		**(125,809)**		(227,982)
New lease obligations		**205,322**		67,327
Translation		**2,256**		1,575
Accreted interest expense		**17,048**		42,289
	$	**544,491**	$	445,674
Current portion	**$**	**252,037**	$	169,704
Long-term portion		**292,454**		275,970
	$	**544,491**	$	445,674

The contractual undiscounted cash flows for lease obligations as at June 30, 2025 are as follows:

Due within 1 year	$	254,255
Due beyond 1 year		347,319
	$	601,574

18. Share Capital

(i) Authorized share capital

The Company is authorized to issue an unlimited number of common shares with no par value.

(ii) Issued share capital

As at June 30, 2025, the Company's issued and outstanding share capital consisted of 54,653,575 (December 31, 2024 – 54,653,575) common shares with a stated value of $13,971,626 (December, 31, 2024 – $13,971,626).

(iii) Issuances of share capital

On January 31, 2025, 104,324 shares were issued from treasury pursuant to the Employee Share Savings Plan, at a price per share of $1.35 for total cash proceeds of $140,837. On June 5, 2025, the 104,324 shares issued on January 31, 2025 were repurchased and cancelled at the original price per share of $1.35, resulting in an outlay of cash of $140,837.

On November 5, 2024, 25,000 stock options were exercised at an exercise price of $0.60. These options were exercised through a net exercise, and resulted in the net issuance of 10,245 shares, and no cash proceeds. Related to this exercise, $3,865 was transferred from reserve for options and warrants, and $3,591 reduced share capital due to the withholding taxes also settled under the net exercise, resulting in a net increase in share capital of $274.

On June 26, 2024, 2,500 stock options were exercised at an exercise price of $1.50 for total cash proceeds of $3,750. Related to this exercise, $1,755 was transferred from reserve for options and warrants, for a total increase in share capital of $5,505.

On June 21, 2024, 121,060 shares were issued from treasury pursuant to the Employee Share Savings Plan, at a price per share of $1.44 for total cash proceeds of $174,326.

On May 14, 2024, 20,000 stock options were exercised at an exercise price of $0.60 and 25,000 stock options were exercised at an exercise price of $0.75, for total cash proceeds of $30,750. Related to this exercise, $19,140 was transferred from reserve for options and warrants, for a total increase in share capital of $49,890.

18. Share Capital (Continued)

(iv) Share-based compensation

The Company offers share-based compensation plans to certain key employees and to our non-employee directors. The share-based compensation plans include an Employee Stock Savings Plan ("ESSP") and a Stock Option Plan ("SOP").

Employee Stock Savings Plan

The aggregate number of common shares of the Company reserved for issuance from treasury under the ESSP shall not exceed 2,000,000 common shares, provided, however, the number of common shares reserved for issuance from the treasury pursuant to all security-based compensation arrangements shall, in the aggregate, not exceed 20% of the number of common shares issues and outstanding.

Under the ESSP, eligible employees can elect to have a percentage of their earnings withheld, subject to a maximum, to allocate into a registered account (the "Employee Contribution"). The employee can elect all or a portion of the Employee Contribution to be used to acquire common shares of the Company. The Company matches the Employee Contribution, subject to a maximum, which will be used to acquire common shares of the Company (the "Company Contribution").

The ESSP trustee is Bellwether (the "Trustee"). The Trustee, on behalf of the employees, will acquire common shares of the Company from treasury, at a purchase price which is the lesser of:

i. the closing market price of the common shares traded on the TSX Venture Exchange (the "TSX Venture") on the previous business day; and
ii. the greater of:
    a. the trailing 30-day volume weighted average price of the common shares traded on the TSX Venture; and
    b. 85% of the closing market price of the common shares traded on the TSX Venture on the previous business day.

The Company, in its sole discretion, shall determine the timing of the treasury issuance, which will be dependent on various factors, including the aggregate amount of funds available for the purchase of common shares.

The common shares issued to an employee pursuant to the ESSP may be subject to a four-month resale restriction imposed by the TSX Venture. In addition, all common shares purchased with Company Contributions are subject to a hold period of twelve-months following the receipt of such shares in the account of the employee, subject to certain exceptions.

The Company Contributions are recorded in salaries and benefits as paid. The issuance of shares from treasury is recorded in share capital when issued. Under the ESSP, during the six-month period ended June 30, 2025, $89,712 was expensed (June 30, 2024 – $74,129), and a net of Nil (June 30, 2024 – 121,060) shares were issued resulting in total proceeds of $Nil (June 30, 2024 – $174,326). During the three-month period ended June 30, 2025, $40,050 was expensed (June 30, 2024 – $34,042), and 104,324 shares were repurchased and cancelled, resulting in an outlay of $140,837 (June 30, 2024 – 121,060 shares were issued, resulting in total proceeds of $174,326).

18. Share Capital (Continued)

(iv) Share-based compensation (Continued)

Stock Option Plan

The Company's SOP limits option grants to 10% of the issued and outstanding common shares, as approved by the Company's Board of Directors. The exercise price of any option may not be less than the Company's closing market price on the day prior to the option grant date, less the applicable discount permitted by the TSX Venture.

The maximum exercise period after the grant of the option is 10 years. When an employee's service ends, the expiry date of his/her options is accelerated to either 30 days or 90 days thereafter, depending on the terms of the related option agreement.

On June 21, 2024, the Company granted 827,000 stock options with an exercise price of $1.50. Of these options, one-quarter vested on the grant date, and one-quarter vest on each of the next three years on the anniversary of the grant date.

A summary of the stock options granted and forfeited as of June 30, 2025 and December 31, 2024, and changes during the periods then ended are as follows:

	June 30, 2025			December 31, 2024		
	Number of options		**Weighted average price**	Number of options		Weighted average price
Options, beginning of period	**3,767,500**	**$**	**0.98**	3,036,125	$	0.84
Options granted	**-**		**NA**	827,000		1.50
Options exercised	**-**		**NA**	(72,500)		0.68
Options expired	**-**		**NA**	(23,125)		1.30
Options outstanding, end of period	**3,767,500**	**$**	**0.98**	3,767,500	$	0.98
Options exercisable, end of period	**3,178,250**	**$**	**0.90**	2,594,500	$	0.82

For the options exercised during the year ended December 31, 2024, the weighted average share price on the date of exercise was $1.26.

18. Share Capital (Continued)

(iv) Share-based compensation (Continued)

Stock Option Plan (Continued)

The following table summarizes information about stock options outstanding at June 30, 2025:

		Options outstanding			Options exercisable	
Exercise prices	**Number outstanding at June 30, 2025**	**Weighted average remaining life in years**	**Weighted average exercise prices**		**Number exercisable at June 30, 2025**	**Weighted average exercise prices**
$ 0.40	**390,000**	**3.5**	**$ 0.40**		**390,000**	**$ 0.40**
0.43	**200,000**	**0.5**	**0.43**		**200,000**	**0.43**
0.60	**570,000**	**4.8**	**0.60**		**570,000**	**0.60**
0.75	**295,000**	**5.8**	**0.75**		**295,000**	**0.75**
0.95	**785,000**	**6.7**	**0.95**		**785,000**	**0.95**
1.30	**703,000**	**7.7**	**1.30**		**527,250**	**1.30**
1.50	**824,500**	**9.0**	**1.50**		**411,000**	**1.50**
	3,767,500	**6.3**	**$ 0.98**		**3,178,250**	**$ 0.90**

The following table summarizes information about stock options outstanding at December 31, 2024:

		Options outstanding			Options exercisable	
Exercise prices	Number outstanding at December 31, 2024	Weighted average remaining life in years	Weighted average exercise prices		Number exercisable at December 31, 2024	Weighted average exercise prices
$ 0.40	390,000	4.0	$ 0.40		390,000	$ 0.40
0.43	200,000	1.0	0.43		200,000	0.43
0.60	570,000	5.3	0.60		570,000	0.60
0.75	295,000	6.3	0.75		295,000	0.75
0.95	785,000	7.2	0.95		583,750	0.95
1.30	703,000	8.2	1.30		351,500	1.30
1.50	824,500	9.5	1.50		204,250	1.50
	3,767,500	6.8	$ 0.98		2,594,500	$ 0.82

18. Share Capital (Continued)

(iv) Share-based compensation (Continued)

Stock Option Plan (Continued)

The fair value of each option granted was estimated using the Black-Scholes option pricing model on the date of grant using the following assumptions:

	June 30, 2025	December 31, 2024
Risk free interest rate	**NA**	3.5%
Expected volatility	**NA**	47.7%
Dividend yield	**NA**	2.1%
Weighted average expected life	**NA**	10 years
Weighted average value per option at grant date	**NA**	$0.70

(v) Net earnings per share

For the six-month period ended June 30, 2025, net earnings per share calculations use the weighted-average number of common shares outstanding of 54,725,622 (June 30, 2024 – 54,492,432) for basic and 56,601,166 (June 30, 2024 – 55,687,174) for diluted. For the three-month period ended June 30, 2025, net earnings per share calculations use the weighted-average number of common shares outstanding of 54,729,239 (June 30, 2024 – 54,510,095) for basic and 56,604,783 (June 30, 2024 – 55,704,836) for diluted. The determination of the weighted-average number of shares outstanding for the calculation of diluted net earnings per share includes the potential effect of 3,178,250 (June 30, 2024 – 2,624,500) exercisable options.

(vi) Dividends

Dividends are only payable as and when declared by the Board and there is no entitlement to any dividends prior thereto. During the six-month period ended June 30, 2025, the Board declared dividends on its common shares totaling $984,808 (June 30, 2024 – $762,647). During the three-month period ended June 30, 2025, the Board declared dividends on its common shares totaling $547,579 (June 30, 2024 – $381,324). As at June 30, 2025 and December 31, 2024, all dividends declared had been paid and no amount remained in accounts payable and accrued liabilities on the consolidated statement of financial position.

19. Financing Costs and Investment Income

Financing costs include the following:

	Six Months Ended		Three Months Ended	
	June 30, 2025	June 30, 2024	**June 30, 2025**	June 30, 2024
Interest on debentures payable and other interest payable (Notes 14 and 15)	**$ 463,370**	$ 430,418	**$ 263,030**	$ 214,287
Investment income	**(11,316)**	(15,619)	**(5,580)**	(7,947)
Net interest expense	**452,054**	414,799	**257,450**	206,340
Accreted interest on lease obligations	**17,048**	22,075	**8,431**	11,073
Attributed interest and amortization of issue costs from future payments and debentures payable (Notes 7, 8 and 14)	**152,632**	158,979	**75,434**	80,094
Net expense	**$ 621,734**	$ 595,853	**$ 341,315**	$ 297,507

20. Related Party Transactions

The Company considers its related parties to consist of key members of its Board of Directors and officers, including their close family members, and companies controlled or significantly influenced by such individuals, and reporting shareholders and their affiliates which may exert significant influence over the Company's activities.

Total compensation and other benefits to directors and employees classified as key management, being individuals having authority and responsibility for planning, directing and controlling the activities of the Company, are included as related party transactions.

20. Related Party Transactions (Continued)

The following transactions occurred with related parties during the six-month and three-month periods ended June 30, 2025 and 2024:

	Six Months Ended		Three Months Ended	
	June 30, 2025	June 30, 2024	**June 30, 2025**	June 30, 2024
Transactions with key management				
Salaries, commissions, bonuses and	**$ 2,044,264**	$ 1,827,455	$ 1,019,785	$ 935,257
Debenture interest expense* (Notes 14 and 19)	**34,850**	37,250	17,425	18,625
Share-based compensation (Note 18(iv))	**130,561**	221,360	53,811	167,245
	$ 2,209,675	$ 2,086,065	$ 1,091,021	$ 1,121,127
Other transactions with entities related to directors				
Legal services	**$ 657,190**	$ 28,283	$ 605,151	$ 14,529
	$ 657,190	$ 28,283	$ 605,151	$ 14,529

The following balances were outstanding with related parties as at June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
Amounts payable to key management, due on demand	**$ 651,476**	$ 573,612
Amounts payable to entities related to directors, due on demand	**$ 350,852**	$ 6,356
Debentures payable to key management (Note 14):		
August 15, 2024 offering*	**$ 400,000**	$ 400,000
June 15, 2022 offering*	**$ 550,000**	$ 550,000

* The debenture transactions were made on the same terms, including interest rate, maturity, and security, as provided to third parties.

21. Funds under Management

The Company has interests in the following funds through management fee and performance fee agreements:

Bellwether AdaptiveETF Fund
Bellwether Alternative Income Fund
Bellwether Canadian Stock Fund
Bellwether Canadian Performance Fund
Bellwether Global Private Equity Fund
Bellwether Global Real Estate and Infrastructure Fund
Bellwether Fixed Income Fund
Bellwether US Stock Fund

The Company is subject to the terms and conditions of the management fee and performance fee agreements as well as each fund's respective offering memorandum/prospectus. The Company's earnings from its interests in the funds are dependent upon the assets under management ("AUM") in each of the funds, which is primarily impacted by equity and fixed income market performance.

Included in accounts receivable at June 30, 2025 is $556,408 (December 31, 2024 – $1,793,507) from the funds.

22. Capital Management

Refer to the Company's consolidated financial statements for the year ended December 31, 2024 for an explanation of the Company's capital management policy.

23. Fair Value of Financial Instruments

Refer to the Company's consolidated financial statements for the year ended December 31, 2024 for an explanation of the Company's management policy as it relates to financial instruments.

As at June 30, 2025 and December 31, 2024, with the exception of the debentures payable, the carrying values and fair values of the Company's financial instruments are approximately the same. There have been no transfers between fair value hierarchy levels.

The fair value of the debentures payable, as at June 30, 2025 has been estimated by discounting future payments at a rate of 9.00% (December 31, 2024 – 9.15%) for the June 15, 2022 offering, at a rate of 7.46% (December 31, 2024 – 7.61%) for the July 31, 2023 offering, and at a rate of 7.42% (December 31, 2024 – 7.57%) for the August 15, 2024 offering, such rates determined by adjusting the initial effective rate of the debentures by the change in the Bank of Canada 5-year benchmark rate over the period since the respective debentures were issued.

24. Fair Value of Financial Instruments (Continued)

The fair value of the Company's financial instruments consists of financial assets and liabilities as outlined below:

	June 30, 2025	December 31, 2024
Financial assets		
Fair value through profit or loss		
Short-term investments	**$ 55,000**	$ 55,000
Amortized cost		
Cash and cash equivalents	**3,489,796**	1,520,369
Accounts receivable	**3,561,732**	4,642,665
Other receivables	**-**	800,000
	7,051,528	6,963,034
	$ 7,106,528	$ 7,018,034
Financial liabilities		
Fair value through profit or loss		
Deferred consideration for Fulcrum	**$ 1,391,763**	$ 2,126,440
Deferred consideration for WH Shutt	**2,523,970**	-
Promus put option	**116,387**	122,751
	4,032,120	2,249,191
Amortized cost		
Other accounts payable and accrued liabilities	**4,500,947**	4,359,731
Owing under loan facility	**5,501,035**	1,611,570
Debentures payable	**8,076,686**	8,378,118
Payable to Promus non-controlling interest optionees	**1,625,498**	1,577,895
Deferred consideration for 1000989938 Ontario	**180,000**	430,000
	19,884,166	16,357,314
	$ 23,916,286	$ 18,606,505

25. Segmented Information

Business Segments

The Company has determined that there is one reportable business segment, asset management services.

Geographic Segments

The Company operates in Canada and the USA. For geographic reporting purposes, transactions are primarily recorded in the location that corresponds with the underlying subsidiary's country of domicile. The following table discloses certain information about the Company's activities by geography:

	Canada		**USA**		**Consolidated**	
For the six months ended	**June 30, 2025**	June 30, 2024	**June 30, 2025**	June 30, 2024	**June 30, 2025**	June 30, 2024
Net revenue from external parties	**$ 16,816,101**	$ 15,028,524	**$ 2,375,121**	$ 1,947,182	**$ 19,191,222**	$ 16,975,706
For the three months ended	**June 30, 2025**	June 30, 2024	**June 30, 2025**	June 30, 2024	**June 30, 2025**	June 30, 2024
Net revenue from external parties	**$ 8,394,444**	$ 7,712,379	**$ 1,224,581**	$ 992,865	**$ 9,619,025**	$ 8,705,244
As at	**June 30, 2025**	December 31, 2024	**June 30, 2025**	December 31, 2024	**June 30, 2025**	December 31, 2024
Non-current assets						
Property and equipment	**$ 125,974**	$ 100,870	**$ 8,066**	$ 4,230	**$ 134,040**	$ 105,100
Right-of-use assets	**418,852**	352,640	**54,057**	16,792	**472,909**	369,432
Intangible assets	**34,364,709**	30,582,038	**4,960,083**	5,487,605	**39,324,792**	36,069,643
Goodwill	**2,961,411**	1,684,760	**4,321,329**	4,557,620	**7,282,740**	6,242,380

26. Subsequent Events

Dividend Declaration

On July 3, 2025, the Board declared a dividend totaling $0.01 per share on each of its common shares, such dividend to be paid on July 31, 2025 to the shareholders of record on July 17, 2025.

26. Subsequent Events (Continued)

Going Private Transaction

On June 5, 2025, the Company entered into a definitive arrangement agreement pursuant to which an affiliate of Sagard Private Equity Canada will acquire all of the issued and outstanding shares of the Company (the “Shares”) and take LPCP private in a transaction that values LPCP’s equity at approximately $126.8 million (the “Transaction”). All issued and outstanding Shares will be acquired for cash consideration equal to $2.23 per Share in cash, other than Shares held by members of senior management and certain advisors of the Company who enter into equity rollover agreements. The Transaction will be implemented by way of a plan of arrangement under the Business Corporations Act (Ontario) and will be subject to shareholder approval at a special meeting of LPCP shareholders to be held to consider the Transaction on August 14, 2025. The Transaction is also subject to court approval, regulatory clearances and other closing conditions.