SALTIRE

Management Discussion and Analysis

As at and for the 3-month period ended March 31, 2025

Introduction: The following discussion of performance, financial condition, and future prospects should be read in conjunction with the audited financial statements ("Financial Statements") of Saltire Capital Ltd. (the "Corporation", "our", or "we") for the period ended March 31, 2025, and the accompanying notes thereto.

This Management's Discussion and Analysis ("MD&A") has been prepared with an effective date of **May 12, 2025**. The Financial Statements have been prepared in accordance with IFRS® Accounting Standards ("IFRS") as issued by the International Accounting Standards Board. Unless otherwise noted herein, all references to "$" are to the currency of the United States.

Readers are encouraged to review the Corporation's public information filings available on its profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com.

Cautionary Note Regarding Forward-Looking Statements

This document may contain certain "forward-looking statements" (as defined under applicable Canadian securities laws). These forward-looking statements relate to future events or future performance including with respect to the Corporation's objectives and priorities for fiscal year 2025 and beyond, and strategies or further actions with respect to the Corporation, a Qualifying Acquisition (as defined herein) and the Corporation's business operations, financial performance and condition.

Such forward-looking statements reflect management's current beliefs and are based on information currently available to management. In some cases, forward-looking statements can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue", "target", "intend", "could" or the negative of these terms or other comparable terminology. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and many factors could cause actual events or results to differ materially from the results discussed in the forward-looking statements. In evaluating forward-looking statements, readers should specifically consider various factors that may cause actual results to differ materially from any forward-looking statement. These factors include, but are not limited to, market and general economic conditions, changes in market interest rates, and the risks and uncertainties discussed in the section entitled "Risk Factors" in the Corporation's final prospectus dated March 28, 2022 (the "Final Prospectus"), available on SEDAR at .

The forward-looking statements contained in this MD&A are presented for the purpose of assisting investors in understanding the business and strategic priorities and objectives of the Corporation as at the periods indicated and may not be appropriate for other purposes. The forward-looking statements contained in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement. The forward-looking statements contained in this MD&A are not guarantees of future performance and, while forward-looking statements are based on certain assumptions that the Corporation considers reasonable, actual events and results could differ materially from those expressed or implied by forward-looking statements made by the Corporation. Prospective investors are cautioned to consider these and other factors carefully when making decisions with respect to the Corporation and not place undue reliance on forward looking statements. Circumstances affecting the Corporation may change rapidly. Except as may be expressly required by applicable law, the Corporation does not undertake any obligation to update publicly or revise any such forward-looking statements, whether as a result of new information, future events or otherwise.

Description of Business

Saltire Capital Ltd. ("Saltire", or the "Company" or "Corporation") (formerly FG Acquisition Corp.) was incorporated on October 25, 2021, under the laws of the province of British Columbia, Canada. The Company was a special purpose acquisition corporation incorporated under the laws of the Province of British Columbia for the purpose of effecting, directly or indirectly, an acquisition of one or more businesses or assets, by way of a merger, amalgamation, arrangement, share exchange, asset acquisition, share purchase, reorganization, or any other similar business combination involving the Corporation (a "Qualifying Acquisition").
On September 25, 2024, the Company announced the completion of its Qualifying Acquisition of Strong/MDI Screen Systems, Inc. ("MDI"). Concurrently with the closing of Qualifying Acquisition, the Company effected a name change from FG Acquisition Corp. to Saltire Capital Ltd. The Company's registered office is located at 510 West Georgia Street, Suite 1800, Vancouver, Birth Columbia, Canada.

FGAC Investors LLC and CG Investments VII Inc. (together, the "Sponsors") were the sponsors of the Corporation.

MDI is a leading manufacturer and distributor of premium large format projection screens to the cinema industry in North America and around the globe. MDI has contractual relationships to supply screens to IMAX Corporation, AMC Entertainment Holdings, and Cinemark Holdings, Inc. and many of the other major cinema operators worldwide. It also manufactures innovative screen support structures custom-built to adapt to virtually any venue requirement, with a unique self-standing modular construction that allows for easy assembly and adjustable size. MDI also sells to non-cinema customers, such as theme parks, immersive attractions, and other entertainment venues as well as for use in training simulators. Some of these other customer verticals include the largest theme park operators in the world, immersive venues such as the Illuminarium and the immersive Van Gogh exhibits. MDI is also a subcontractor on several large government projects providing its projection screen technology for use in military training simulators. MDI is also a subcontractor on several large government projects providing its projection screen

Saltire intends to build and grow a portfolio of profitable and cash-flow generating private equity investments that would not otherwise be available to public market investors through its proprietary origination process. Saltire's business objective is to maximize its intrinsic value on a per share basis over the long-term by seeking to achieve superior investment performance commensurate with reasonable risk. The Company's model is to hold for the long-term, investing primarily in private businesses, targeting those businesses that Saltire Partners, Inc. (the "Manager") believes are under-valued, where the Company can act as a catalyst or exert significant influence or control (each, a "Portfolio Company" and collectively, the "Portfolio Companies"). Saltire intends to be in a position to exert significant influence or control over each Portfolio Company. However, depending on the circumstances of any particular investment opportunity, the Company's investment in a Portfolio Company may range from a minority ownership position to a significant influence position including, in some instances, control. Although Saltire intends to primarily invest in private companies, the Company may, in certain circumstances if the opportunity arises, also make investments in public companies that it believes are appropriate targets for take-private transactions.

Saltire intends to support the growth and development of its Portfolio Companies through active ownership, leveraging the Manager's industry experience and business contact network. Active ownership will be an integral part of Saltire's investment strategy, and the support extended to Portfolio Companies may be provided by way of board representation, board observer rights, strategic, financial, governance and capital market support, and/or preparing the Portfolio Company for potential corporate transactions. The Company will seek to hold investments until it believes market valuations materially exceed inherent underlying valuation of the business, using traditional valuation metrics appropriate for each industry. In so doing, Company intends to be a permanent capital partner for the companies it invests in. Accordingly, Saltire's principal form of return will be through aggregating and compounding cash flows over the long-term.

Management Agreement

Concurrently with Qualifying Acquisition closing, the Company entered into a management agreement (the "Management Agreement") with the Manager, pursuant to which the Manager will provide management services to the Company. The Company's unique structure includes a 20% ownership position in the Manager, a stand-alone investment manager that will seek to develop, through organic growth and selected strategic acquisitions, a strong and differentiated asset management platform.

Pursuant to the Management Agreement, the Manager will be appointed as the manager of Saltire and, subject to the overriding supervision and direction of the Board and approval, where applicable, of the Investment Committee, will be granted the exclusive authority to manage the operations and business of the Company, including the power and authority to negotiate, settle the terms of, enter into and execute on behalf of the Company, material contracts and agreements. The Manager will provide the services of appropriately qualified individuals to serve as senior officers of the Company, including the Executive Chairman, Chief Executive Officer, Chief Financial Officer and Chief Investment Officer.

The term of the Management Agreement will continue until the winding-down or dissolution of the Company unless terminated by the Manager at an earlier date. Any changes to the Management Agreement will be negotiated between the Manager and the Investment Committee and will be subject in any event to the approval of the Investment Committee. The Manager has the right, at any time, upon 120 days' written notice, to terminate the Management Agreement for any reason. The Management Agreement will automatically terminate on the earlier of (i) the date of the termination of the Manager as the manager of the Company, or (ii) the date of winding-up of the Company. Notwithstanding the foregoing, the Manager may not be removed unless the Manager is in material breach or default of the provisions of the Management Agreement (as determined by the Investment Committee) and, if capable of being cured, any such breach or default has not been cured within 60 days' notice of such breach or default to the Manager. The Investment Committee will be responsible for determining whether a material breach has occurred and, upon such occurrence, providing notice to the Manager of same.

In consideration for the duties performed by the Manager pursuant to the terms of the Management Agreement, the Company shall pay the Manager a management fee of 2.0% of the net assets of the Company calculated at book value in the professional judgement of the Company's management, plus all applicable taxes (the "Management Fee"). The Management Fee will only be incurred after the Company reaches a market capitalization of $200 million and will be calculated and payable on the last business day of each month. For the purpose of calculating the Management Fee, the value of the Company's interest in the Manager will not be included in the calculation of net assets. Expenses incurred by the Manager in the normal course will be reimbursed by the Company without any required approval, while those expenses that are incurred by the Manager out of the ordinary course of business will only be reimbursed upon approval of the Investment Committee.

In addition to the Management Fee, the Company and Manager will mutually agree on a performance fee after reaching $200 million in market capitalization, which fee will be approved by the Investment Committee.

Merger

On May 3, 2024, the Company and the Sponsors entered into an acquisition agreement ("Acquisition Agreement") with MDI and Strong Global Entertainment, Inc. ("Strong Global"), pursuant to which the Company agreed to purchase from Strong Global, and Strong Global agreed to sell to the Company, all of the issued and outstanding shares in the capital of MDI, which acquisition constituted the Company's Qualifying Acquisition. Following closing of the Qualifying Acquisition, MDI became a wholly owned subsidiary of the Company.

On closing of the Qualifying Acquisition, Company satisfied the Purchase Price (as defined in the Acquisition Agreement) with: (i) cash, in an amount of $810,923 out of the proceeds of the Company's Private Placement (as defined below) (ii) the issuance of 900,000 preferred shares of the Company ("Series A Preferred Shares") with an initial redemption amount of $9,000,000, and (iii) the issuance of 1,972,723 Common Shares.

Concurrently with closing of the Qualifying Acquisition, the Company completed a private placement of Common Shares for $10 per share for gross proceeds of $4,335,590 (the "Private Placement"). In connection with the Private Placement, the Company issued 433,559 Common Shares.

As also noted above, the company issued 900,000 Series A Preferred Shares to Strong Global in partial satisfaction of the Purchase Price. The Series A Preferred Shares are non-voting and redeemable only at the option of the Company. The Series A Preferred Shares have a fixed, preferential, cumulative dividend at the rate of ten percent (10%) per annum calculated on the redemption price of $10.00 per Series A Preferred Share, which rate shall increase by 2.0% every three months commencing on the issuance date of the Series A Preferred Shares. Dividends on the Series A Preferred Shares are only payable if, as and when declared by the board of directors of the Company.

Upon completion of the Qualifying Acquisition, (a) the Class A Restricted Voting Shares not required to be redeemed converted into Common Shares on a one for one basis, (b) the Class B Shares converted into Common Shares on a one-for-one basis, and (c) the Common Shares and the IPO warrants started trading separately on the TSX under the ticker symbol SLT and SLT.WT respectively.

Reverse takeover transaction

On September 25, 2024, Saltire completed its Qualifying Acquisition by acquiring all of the issued and outstanding equity interests of MDI. In exchange for acquiring 100% of the equity interests of MDI, Saltire issued consideration consisting of 1,972,723 common shares, 900,000 Series A preferred shares and cash consideration of $810,923.

In accordance with IFRS 3 – Business Combinations, the substance of the acquisition is a reverse takeover ("RTO"). The Company concluded that for accounting purposes MDI was the accounting acquirer and Saltire Capital Ltd. was the accounting acquiree. Control over the relevant activities of the Company is determined based on voting rights.

As MDI was deemed to be the acquirer for accounting purposes, its assets, liabilities and operations since incorporation are included in these consolidated financial statements at their historical carrying values. Saltire's results of operations have been included from September 25, 2024. As a result, the 2024 period-ended comparative information included herein is solely that of MDI. Transactions undertaken by MDI are referred to as being undertaken by the Company in these consolidated financial statements. MDI incurred $74,225 and $315,668 of professional costs related to the RTO for the year ended December 31, 2024, included in general and administrative expense on the consolidated statements of loss and comprehensive loss.

In connection with the Qualifying Acquisition, Saltire completed a private placement of common shares. Gross proceeds of $4,335,590 were receivable upon the issuance of 433,559 common shares at a price per share of $10.00.

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As the acquisition of Saltire did not constitute a business combination, the RTO was accounted for in accordance with IFRS 2 – Share-based Payments, whereby equity instruments issued were recognized at fair value. Upon closing of the RTO, the Company acquired cash of $2,888,150, subscription receivable of $920,000, prepaid expenses of $300,000 and assumed liabilities of $19,908,491. Therefore, the consideration paid to acquire Saltire consisted of net liabilities assumed of $15,800,341. and the deemed value of the shares exchanged with Saltire, valued at $28,779,550, based on 2,877,955 common shares of Saltire outstanding prior to the issuance of Common Shares to Strong Global valued at $10.00 per common share. The net liabilities assumed and deemed value of shares exchanged with Saltire by MDI was expensed as listing expense on completion of the RTO. Total listing expense is as follows:

	$
Equity consideration of MDI issued:	
Total common shares outstanding of Saltire at merger (excluding shares issued to Strong Global)	2,877,955
Per share value at merger date as established by simultaneous Private Placement	10.00
	28,779,550
Fair value of net assets (liabilities) assumed:	
Cash	2,888,150
Subscription receivable	920,000
Prepaid expenses	300,000
Accounts payable and accrued liabilities	(8,680,740)
Warrant liabilities (Note 10)	(11,110,000)
	(15,800,341)
Listing expense	**44,579,891**

Operations Overview

MDI is a leading global manufacturer and distributor of premium large format projection screens and coatings. MDI supplies cinema screens to IMAX Corporation (“IMAX”), AMC Entertainment Holdings (“AMC”), and Cinemark Holdings, Inc. (“Cinemark”), and other cinema operators worldwide. MDI also manufactures innovative screen support structures custom built to adapt to virtually any venue requirement, MDI also manufactures specially designed screens, haptic flooring and other solutions for theme parks, immersive applications such as interactive dark rides, 3D/4D theme park rides, flying theaters and motion simulators.

MDI’s registered office is currently located at 2300-550 ST Burrard, Vancouver, British Columbia, Canada and its screen manufacturing facility is located in a leased facility located at 1440 Raoul-Charette, Joliette Quebec, Canada. MDI currently has approximately 90 employees.

Key Trends Driving MDI’s Markets

The following trends positively impact the outlook for the entertainment industry:

Growing Market for Premium Immersive Entertainment. MDI believes the market for premium immersive entertainment options is growing and that its products are well positioned in those markets. The theatrical exhibition industry is trending toward a long-term recovery and uptrend following COVID-19. The theme park and immersive entertainment industry is also starting to expand, with exhibitions such as the Illuminarium, the Sphere and the Van Gogh immersive exhibitions as prominent examples of the increasing popularity of immersive experiences.

Resilient Industry Across Technology Innovations and Economic Cycles. Theatrical movie-going remains one of the most convenient and affordable forms of out-of-home entertainment. As such, it has proven resilient to competition for consumers’ leisure spending, as well as inflationary and recessionary periods over many decades. For example, the North American industry box office grew in six of the last eight recessions. A theatrical release provides heightened exposure, increased perceived quality, and drives greater viewing interest in content. It can also strengthen performance in streaming channels increasing overall revenue potential for film releases.

Post-COVID-19 Recovery. MDI believes demand for out-of-home entertainment will continue to drive favourable trends in the cinema exhibition and theme park industries. Positive box office growth over the past years mirrors the volume of film releases with several releases in 2024 generating record-setting box office results.

Blockbuster Studio Releases. According to CNBC, analysts expect U.S. box office results to continue to improve and exceed pre-pandemic levels by 2026, with Hollywood blockbuster movies scheduled for release to cinemas poised to accelerate

Premium Auditoriums and Upgrades from Xenon to Laser Projection. MDI believes the transition from xenon projection to laser projection in the cinema exhibition industry will continue over the next decade. Several exhibitors have publicly discussed plans to upgrade to an all-laser projection strategy, notably Cinemark and IMAX, to further improve the quality of the theatrical experience. AMC announced plans to install laser projection in 3,500 of its U.S. auditoriums through 2026. Other regional and international exhibitors have initiated auditorium upgrades as well. MDI expects this upgrade cycle to drive increased demand for screen replacement.

Consolidating Industry. The cinema exhibition industry was consolidating via mergers and acquisitions pre-COVID-19. MDI expects consolidation of the supplier side of the cinema exhibition industry to accelerate post-COVID-19. MDI believes there are opportunities to expand via consolidation in the future.

Competitive Strength

MDI believes the following strengths and attributes position MDI for growth:

Partnerships with Industry Leaders. MDI believes its industry reputation for superior quality and customer service have made it the go-to provider for many of the leading operators in the cinema industry. MDI provides projection screens to all of the top cinema operators in North America, including AMC, IMAX, Cinemark, Regal and many other regional cinema operators. MDI believes that it provides a majority of the large format projection screens used by the major operators in North America, including exclusive supply contracts with AMC and Cinemark, and it believes that it also supplies IMAX with substantially all of its projection screens globally. There is greater pressure on theaters to differentiate their experience from the at-home experience. MDI believes the global trend for premium entertainment plays to MDI's strengths.

The table below includes the top cinema companies in North America, all of which are MDI's customers:

Circuits	Screens	Sites	Customer	Exclusive
AMC Entertainment Holdings, Inc.[1]	7,325	558	✓	✓
Regal Cinemas (Cineworld Group PLC)[2]	5,774	425	✓	
Cinemark Holdings, Inc.[1]	4,303	308	✓	✓
Cinepolis[3]	4,317	516	✓	
Cineplex Entertainment LP [4]	1,631	158	✓	
Marcus Theaters Corp.[1]	993	79	✓	✓

1) Represents the quantity in the United States as of March 2024 for which MDI is the exclusive supplier of screen products.
2) Represents the quantity in the United States as of April 2024.
3) Represents the quantity in the United States and Mexico as of February 2023.
4) Represents the quantity in Canada as of March 2024.

Innovator in the Industry. MDI is constantly innovating as exemplified by its immersive product offerings, including its Eclipse curvilinear screens with proprietary coatings for maximum viewer engagement in media-based attractions and immersive projection environments. MDI's screens have been used in the much publicized Van Gogh: The Immersive Experience exhibit that wowed audiences with its all-encompassing experience of art, light, sound, movement and imagination. MDI has also supplied the Illuminarium Intermediate (Cayman), LLC in Atlanta, Georgia with screen products and is working on other immersive screens, flooring and other projects utilizing its proprietary optical coatings. Eclipse screens are also used in theme parks and military simulation applications.

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World-Class and Scalable Manufacturing and Research & Development ("R&D"). MDI manufactures its screens in the Joliette Plan, which it leases on a long-term basis from FG Holdings Quebec Inc. FG Holdings Quebec, Inc., is a wholly owned subsidiary of Fundamental Global Inc. The Joliette Plant is unique with two 90-foot-high screen coating towers which allows MDI to produce and finish large screens to precise specifications. The Joliette Plant also includes polyvinyl chloride ("PVC") welding operations with programmable automations and areas dedicated to the manufacture of MDI's paints and coatings used on all its screens, as well as dedicated in-house chemists and R&D capabilities. MDI believes that its quality control procedures, in-house paint and coating capabilities and the quality standards for the products that it manufactures contribute significantly to its reputation for high performance and reliability.

Growth Strategy

MDI's growth strategy is as follows:

Increase Sales Efforts to Grow MDI's Customer Base and Increase its Share of its Customers' Businesses. MDI has leveraged its long-standing industry reputation and relationships to increase market share. MDI intends to continue to increase its sales efforts to grow its customer base and increase the share of its existing customers' businesses.

Geographic Expansion. Although MDI believes that it is a market leader in North America, it also believes it has a significant opportunity to expand its projection screen business in the European and Asian markets. MDI operates outsourced warehousing and finishing facilities in China and Belgium to better serve the local markets and may pursue similar strategies in other markets to better serve its customers and open additional growth opportunities.

Strategic Acquisitions and Industry Partnerships. MDI believes the cinema equipment market is highly fragmented and that it can materially increase its revenues and scope through selected acquisitions and/or increased strategic partnerships with other players in the industry.

Diversify Screen Business into Theme Parks and Other Non-Cinema Applications. Over the past several years, MDI implemented plans to diversify our business beyond cinema, including its Eclipse immersive product line, Seismos flooring, and other products targeted to theme parks and immersive exhibits. MDI's Eclipse curvilinear screen utilizes our proprietary coatings for maximum viewer engagement in media-based attractions and immersive projection environments. In addition, the innovation of immersive art experiences reflects the market opportunity evidenced by the success of the nationwide tour of Van Gogh; The Immersive Experience, for which MDI provided the projection screens. MDI believes that it is uniquely positioned to benefit from the growing popularity of premium immersive attractions.

Capitalize on Laser Upgrade Cycle. Cinema operators have begun upgrading from Xenon lamp projectors to Laser projectors which MDI expects will drive additional demand for its screens. Laser projectors offer better quality than lamp alternatives, require less frequent bulb replacement, and consume up to 80% less energy, lowering overall operating costs for the exhibitor. Cinemark, IMAX, AMC as well as regional and international exhibitors have initiated auditorium upgrades to enhance their premium experience. MDI expects this upgrade cycle to drive increased demand for screen replacement. MDI has developed relationships with many of the leading players in the industry, one example of which is its preferred commercial relationship with Barco, Inc. (f/k/a Cinionic, Inc.), the world's leading provider of laser projection solutions.

Challenges and Negative Trends

MDI's business and the operations of its customers were severely impacted by the COVID-19 pandemic. While the pandemic has subsided, operators could be impacted if similar events were to occur in the future.

The continued growth and adoption of streaming and changes to the theatrical window may negatively impact the cinema exhibition industry in the future.

Inflationary pressures and disruptions in MDI's supply chain could impact the availability of certain products that MDI sells to its customers, as well as the cost of materials, labour and freight, which could pose challenges to MDI's ability to maintain or increase margins.

Certain larger exhibitors in the cinema industry carry high levels of debt on their balance sheets. For example, Cineworld Group Plc, the parent company of Regal Cinemas and one of the largest cinema operators emerged from Chapter 11 bankruptcy proceedings during 2023 to restructure its balance sheet and alleviate their debt burden. Financial stress at MDI's customers in general could impact its business by reducing overall exhibitor purchasing and payment on accounts receivable.

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The flow of new releases to the theatrical exhibition markets has been impacted by the COVID-19 pandemic, as well as the Hollywood writers' and actors' guild strikes, which caused film production to be temporary halted or delayed and new film releases were postponed, resulting in a temporary reduction in the volume of new films available for theatrical exhibition, which could impact the timing or amount of order volume from MDI's customers.

SELECTED FINANCIAL INFORMATION & RESULTS OF OPERATIONS

The following table summarizes Saltire's recent results of operations as of the dates indicated below. The selected financial information set out below for the period ended March 31, 2025 and 2024 including as at December 31, 2024 (where applicable) have been derived from MDI's Combined Carve-out Financial Statements which were prepared in accordance with IFRS. Historical financials and operating information may not be indicative of future performance, and certain financial information presented below includes non-IFRS financial measures that MDI believes are important in evaluating the operating performance of the business and making results more comparable from year to year. See "Non-IFRS Measures".

As at	**March 31st, 2025**	December 31st, 2024
	$	$
Total Assets	**15,546,138**	14,912,631
Total Liabilities	**16,782,301**	25,514,760
Equity Deficit		
Common shares - Strong Global	**19,779,550**	19,779,550
Common shares - Fox Hat	**4,870,000**	4,870,000
Share Capital	**4,335,590**	4,335,590
Preferred shares	**6,500,000**	7,500,000
Accumulated OCI	**(180,592)**	(282,262)
Retained earnings	**(36,597,176)**	(46,816,295)
Contributed surplus (share based)	**56,465**	11,288
Total Equity Deficit	**(1,236,163)**	(10,602,129)

For 3-months ended	**March 31st, 2025**	March 31st, 2024
	$	$
Revenues	**4,343,182**	3,477,312
Gross profit	**1,814,781**	1,382,203
Operating income	**584,595**	735,706
Income before taxes	**10,512,283**	762,236
Net income	**10,264,296**	600,724
Comprehensive income	**10,365,966**	461,724
EBITDA	**10,799,683**	1,025,081
Adjusted EBITDA	**738,860**	1,038,339

(1) Reconciliation of Non-IFRS Measures

EBITDA and Adjusted EBITDA are both non-IFRS measures that MDI uses to monitor and assess its operating performance and to better compare results from operations on a relative basis from year to year. See "Cautionary Note Regarding Non-IFRS Measures and Industry Metrics".

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The following table provides the reconciliation of net (loss) income to EBITDA and EBITDA to Adjusted EBITDA:

For 3-months ended	**March 31st, 2025**	March 31st, 2024
	$	$
Net income	**10,264,296**	600,724
Interest expense	**167,387**	134,242
Income tax expense (benefit)	**247,987**	161,512
Depreciation and amortization	**120,013**	128,603
EBITDA	**10,799,683**	1,025,081
Stock-based compensation	**45,177**	13,258
Fair valuation of Warrants	**(10,106,000)**	-
Adjusted EBITDA	**738,860**	1,038,339

Revenue

For the three months ended March 31, 2025, revenue was $4,343,182, compared to $3,477,312 for the same period in 2024, reflecting an increase of $865,870 (24.9%).

- Growth was primarily driven by a 39% increase in cinema revenues, reflecting strong momentum in the industry and increased demand for premium large formats such as IMAX and Dolby Cinema. Orders from major clients including AMC, IMAX Group, and Cinema City contributed significantly to this growth.
- This was supported by a 16% increase in non-cinema and special project revenues (navy project, schools, simulators, and museums), albeit the growth was restrained compared to cinema-related sales. As MDI expands into immersive offerings, demand for these sales remains irregular and, at times, seasonal, influenced by public appetite and timing.
- The Company ramped up production capacity, including the implementation of evening shifts and improved workforce stability after Q4’24 staff turnover. Some revenue delayed from Q4’24 was recognized in Q1’25 due to this ramp-up.
- Strong inbound order flow from U.S. based cinema chains is expected to convert to shipments in Q2 and Q3, providing forward momentum.

Gross Profit

For the three months ended March 31, 2025, gross profit was $1,814,781, compared to $1,382,203 in 2024, an increase of $432,578 (31.3%).

- The improvement was supported by enhanced production floor efficiencies, improved waste management, and favorable procurement strategies through strong vendor relationships.
- Better absorption of fixed manufacturing costs due to increased production volume contributed to margin improvement as well.
- A shift in product mix toward higher-margin offerings, such as IMAX-certified screens, further strengthened profitability.
- These operational enhancements allowed the Company to contain cost of goods sold growth to 21%, below the 25% revenue growth rate, resulting in a modest yet meaningful 2% quarter-over-quarter margin improvement.

Operating Income

For the three months ended March 31, 2025, operating income was $584,595, compared to $735,706 in 2024, a decrease of $151,111 (20.5%).

- The decline was primarily driven by higher administrative expenses, mainly due to increased payroll and employee-related costs.
- Additionally, consulting and professional fees remained elevated following Saltire Capital's transition to a public company post-RTO, since the holding company does not have direct revenue-generating operations.

Net Income

For the three months ended March 31, 2025, net income was $10,264,296, compared to $600,724 in 2024.

- The significant increase was primarily driven by the fair valuation of warrants, which contributed $10,106,000 to earnings. This gain is non-operational and reflects market-based valuation adjustments to legacy instruments tied to the reverse takeover (RTO) transaction.
- Excluding this non-operational gain, underlying profitability declined due to higher operating costs, aligning with the overall increase in expenses.

Adjusted EBITDA

For the three months ended March 31, 2025, adjusted EBITDA was $738,860, compared to $1,038,339 in 2024, reflecting a decline of $299,479 (28.8%).

- The decrease was primarily driven by higher general and administrative costs associated with Saltire Capital's status as a public company, including compliance, legal fees, and other related expenses. These non-capitalizable consulting expenditures further weighed on profitability.
- However, stronger sales volumes improved production efficiency, enhancing fixed-cost absorption and partially offsetting the rise in overhead.

Material accounting policies

The condensed consolidated interim financial statements for the period ended March 31, 2025 were prepared using the same accounting policies and methods as those used in the Company's audited consolidated financial statements for the year ended December 31, 2024, and as such, should be read in conjunction with them. These financial statements have been prepared in compliance with IAS 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures normally included in annual consolidated financial statements prepared in accordance with IFRS® Accounting Standards have been omitted or condensed.

Financial Condition, Liquidity and Capital Resources

Overview

During the past several years, MDI has primarily met its working capital and capital resource needs from operating cash flows and credit facilities. MDI's primary cash requirements involve operating expenses, working capital, capital expenditures, and other general corporate activities.

In response to the COVID-19 pandemic and related closures of cinemas, theme parks and entertainment venues, we took decisive actions to conserve cash, reduce operating expenditures, delay capital expenditures, and manage working capital.

MDI believes that its existing sources of liquidity, including cash and cash equivalents, operating cash flow, credit facilities, receivables and other assets are sufficient to meet projected capital needs for at least the next twelve months.

Credit Facility

On November 20, 2024, the Company entered into a demand credit agreement with National Bank of Canada, providing a revolving credit facility of up to US$12.0 million, with an option to increase the limit by an additional US$3.0 million subject to lender approval. The facility offers loans in USD or CAD, with variable interest rates determined by the type of loan drawn (e.g., US Base Rate, SOFR, Prime Rate, or CORRA, plus a margin). Full repayment, including interest and fees, is due at the end of the three-year term.

The credit facility is secured by first-ranking liens on the Company's assets, including intellectual property and capital securities. As of March 31, 2025, the Company was in compliance with debt covenants and had approximately C$7 million in principal outstanding, with an interest rate of 6.45%.

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Analysis of Cash Flows

For 3-months ended	**March 31st, 2025**	March 31st, 2024
	$	$
Net cash (used in) provided by operating activities	**(232,400)**	214,568
Net cash used in investing activities	**(19,163)**	(20,564)
Net cash used in financing activities	**(201,140)**	(604,397)
Net change in cash	**(452,703)**	(410,393)
Cash at beginning of the period	**1,236,079**	648,806
Cash at end of the period	**783,376**	238,413

Operating Activities

Net cash used in operating activities was $(232,400) for the 3-month period ended March 31, 2025, compared to $214,568 generated for the 3-month period ended March 31, 2024, reflecting a decline of $446,968.

- This decline was mainly driven by a $1,069,170 increase in trade and other receivables, which reduced available cash.
- Prepaid deposits increased by $243,502, impacting working capital.
- This was offset by a $174,473 decrease in inventories, supporting liquidity.

Investing Activities

Net cash used in investing activities was $(19,163) for the 3-month period ended March 31, 2025, compared to $(20,564) used in for the 3-month period ended March 31, 2025.

- The outflows were primarily for capital expenditures of $19,163, maintaining manufacturing operations.
- No significant acquisitions or disposals occurred during the quarter.

Financing Activities

Net cash used in financing activities was $(201,140) for the 3-month period ended March 31, 2025, compared to $(604,397) used in for the 3-month period ended March 31, 2024, reflecting an improvement of $403,257.

- The Company redeemed $1,000,000 in preferred shares, contributing to cash outflows.
- This was partially offset by $902,609 in borrowings under the credit facility, improving liquidity.

Off-Balance Sheet Arrangements, Commitments and Contingencies

MDI has no off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on MDI's financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Liquidity risk

The Company faces liquidity risk, which could arise if it is unable to meet financial obligations when due. The Company manages this risk through working capital management, cash flow monitoring, and the potential issuance of additional share capital or debt. If unexpected events affect the Company's ability to fund key activities such as customer acquisition, research, and development, or administrative costs, additional liquidity measures may be required. There is no assurance that satisfactory financing will be available, which could materially impact the Company's operations or financial condition.

Failure to obtain adequate financing on satisfactory terms could have a material adverse effect on the Company's results of operations or financial condition.

Market risk

The Company is exposed to market risk, which includes foreign currency risk, interest rate risk, and other price risk:

- **Foreign Currency:** Risk: The Company's exposure to foreign currency risk arises from financial instruments denominated in US dollars. A ±1% fluctuation in exchange rates would not significantly impact the financial statements.

- **Interest Rate Risk:** The Company has a revolving line of credit of $6.6 million, bearing variable interest at 6.45%. A 1% increase in the interest rate would result in an annual increase of approximately $66,000 in interest expense.

- **Other Price Risk:** The Company faces price risk due to its reliance on the valuation of Anthem shares related to a note receivable. Changes in the market price of these shares could impact the Company's financial results.

Related Party and Contractual Arrangements

The Company continues to lease its 80,000 square-foot manufacturing facility near Montreal, Quebec from FG Holdings Quebec, under a long-term lease agreement considered to be at market terms. FG Holdings Quebec is affiliated with a former Sponsor and remains a related party.

The Company also continues to operate under the Management Agreement entered into on September 25, 2024, whereby the Manager is authorized to provide management services and bind the Company within delegated authority.

Additionally, under the Transition Services Agreement entered into with Strong Technical Services, Inc. on the same date, the Company continues to receive transitional support services. The Service Provider is affiliated with Fundamental Global Inc., which is also a related party to the Company

Key management personnel

Key management personnel are those people who have the authority and responsibility for planning, directing, and controlling activities of the entity, directly or indirectly including external directors of the Company. Compensation expense for the Company's key management personnel for the period ended:

	March 31, 2025	March 31, 2024
	$	$
Salaries and benefits	**153,532**	88,587
Share-based compensation	**45,177**	-
	198,709	88,587

Note receivable

On November 25, 2024, the Company entered into an Asset Purchase Agreement with Pioneer Garage Limited to acquire a promissory note (the "Note") issued by The Fox Hat Equities Ltd. The Note had a principal balance of CAD $2,000,000 as of the acquisition date, bears 11.4% simple interest payable monthly, and matures on February 21, 2027.

The Note may be extinguished at the Company's discretion through the receipt of 975,000 Class A Preferred Shares of Anthem GP Ltd. To secure this option, a Securities Pledge Agreement was executed on January 13, 2025.

The acquisition was settled via issuance of 487,000 common shares of the Company, valued at USD $10.00 per share, for a total consideration of USD $4.87 million. At initial recognition, the Note was recorded at this fair value. As at December 31, 2024, the

Note was remeasured to a fair value of USD $2.81 million, based on the value of the underlying Anthem shares, resulting in a fair value loss of USD $2.06 million recognized in profit or loss.

As at March 31, 2025, the fair value remained unchanged, as no material movements were observed in valuation inputs or underlying share value. The Note continues to be classified as a current asset, reflecting the Company's ability to demand settlement through share conversion at any time. The transaction was negotiated on terms consistent with related party transactions.

Warrant liabilities

As a result of the reverse takeover transaction, the Company assumed warrant liabilities consisting of 5,750,000 IPO Warrants, 4,350,000 Sponsors' Warrants, and 1,500,000 out-of-the-money (OTM) Warrants. These Warrants are classified as financial liabilities measured at fair value through profit or loss, as they do not meet the IFRS equity classification criteria. The Warrants had a combined fair value of $2.98 million as at March 31, 2025, compared to $13.08 million at December 31, 2024, resulting in a fair value gain of $10.1 million for the quarter.

The fair value decline was primarily due to a reduction in the Company's share price and an increase in estimated volatility. All Warrants were valued using option pricing models and are classified as Level 2 in the fair value hierarchy. The IPO and Sponsors' Warrants were valued using a standard option pricing model, while the OTM Warrants were valued using the Black-Scholes model. The IPO and Sponsors' Warrants have an exercise price of $11.50 and expire five years after the transaction date, while the OTM Warrants have an exercise price of $15.00 and expire ten years post-transaction.

At March 31, 2025, there were 11.6 million Warrants outstanding with a weighted average remaining term of 5.14 years.

Capital

As at March 31, 2025, 5,771,237 common shares, 650,000 preferred shares, 11,600,000 warrants are issued and outstanding with all warrants classified as liabilities on the statement of financial position.

Impact of Trade Environment and Tariffs

The introduction of 25% tariffs on Canadian imports into the U.S., effective March 4, 2025, and their subsequent temporary suspension, have continued heightened uncertainty in our primary market, the United States, which constitutes 59.3% of our revenue. Despite these challenges, our Cinema screen product remains well-regarded by key U.S. clients, such as AMC and Cinemark, who have expressed no intention to change suppliers. Management has implemented several measures to mitigate risks, including agreeing to share a % of tariff costs for major clients temporarily and leveraging a favorable CAD/USD exchange rate. Additionally, the Company continues to monitor tariff announcements closely and works with logistics experts to optimize tariff codes. These actions demonstrate our commitment to maintaining strong customer relationships while managing operational impacts.