

# Saltire Capital Ltd. Reports Q2 2025 Financial Results

TORONTO, Aug. 7, 2025 /CNW/ - Saltire Capital Ltd. (TSX: SLT.U) (TSX: SLT) (TSX: SLT.WT.U) (TSX: SLT.WT) ("**Saltire**" or the "**Company**") today reported its unaudited financial results for the three and six-month period ended June 30, 2025. The Company's unaudited condensed consolidated interim financial statements ("**Financial Statements**") and management's discussion and analysis ("**MD&A**") have been filed on the System for Electronic Document Analysis and Retrieval Plus ("**SEDAR+**") and may be viewed under the Company's profile at [www.sedarplus.ca](http://www.sedarplus.ca). All references to "\$" herein are to United States Dollars.

## Q2 2025 Highlights

For the six months ended June 30, 2025, the Company reported revenue of \$9.3 million, an increase of 23.8% compared to \$7.5 million for the same period in 2024. Growth was driven by a 35% increase in cinema-related sales, supported by strong order volumes from key clients including IMAX<sup>®</sup>. Non-cinema revenues declined approximately 19% in the quarter due to the timing of immersive project deliveries, which are expected to shift into Q3. Gross profit increased to \$3.8 million, up 25.6% year-over-year, with gross margins of 40.9% (Q2 2024: 40.3%). Margin improvement was driven by favorable product mix, reduced raw material waste, and improved throughput efficiency.

Operating income was \$1.2 million, compared to \$1.3 million in the prior year period, reflecting higher public company costs following Saltire's reverse takeover in late 2024. The Company reported a net loss of \$11.4 million, compared to net income of \$1.0 million in Q2 2024, due entirely to a non-cash fair value loss of \$11.3 million on warrant liabilities, driven by market-based inputs such as volatility and rate changes. Adjusted EBITDA for the period was \$1.0 million, down from \$1.8 million in the prior year, primarily due to higher general & administrative and finance costs. MDI's core operating performance remained strong.

The project pipeline for Strong/MDI Screen Systems, Inc. ("**MDI**") heading into Q3 remains active, particularly across immersive and simulation markets, with multiple deliveries expected in the second half of 2025. Additionally, subsequent to quarter-end, Saltire completed the acquisition ("**the Acquisition**") of SanStone Investments Limited, ("**SanStone**") a leading owner and operator of heavy equipment dealerships and agricultural equipment dealerships in Eastern Canada that owns and operates the Wilson Equipment and Tidal Tractor dealership brands. In conjunction with the Acquisition, the Company entered into a loan agreement (the "**Loan Agreement**") with, among others, Sagard Holdings Manager LP, as administrative agent and collateral agent, and Sagard Credit Partners II, LP ("**Sagard**") and the other lenders party thereto from time to time (together with Sagard, the "**Lenders**"), pursuant to which the Lenders will, subject to the satisfaction of certain conditions precedent, make available certain credit facilities to Saltire up to an aggregate principal amount of US\$100 million (the "**Credit Facility**"). The proceeds from the initial draw under the Credit Facility were used to, among other things, finance part of the cash purchase price under the Acquisition. The additional availability under the Credit Facility will be used to support future growth. The Acquisition marks Saltire's second platform investment and represents a meaningful step in advancing its long-term strategy to build a portfolio of high-quality private businesses.

*"We're very encouraged by the momentum we're seeing across the business," said Andrew Clark, CEO of Saltire. "MDI continues to deliver solid performance, and our new partnership with SanStone opens up exciting opportunities in a space we know well. With two strong platforms now in place, Saltire is entering its next phase of growth — and we're focused on scaling with purpose, discipline, and long-term conviction."*

Note: As disclosed in the MD&A, Saltire's results reflect the reverse takeover accounting treatment under IFRS, with MDI as the accounting acquirer and Saltire as the acquiree. Comparative figures prior to September 25, 2024, reflect MDI standalone operations. "EBITDA" and "Adjusted EBITDA" are non-IFRS measures. See "Non-IFRS Measures" below.

\*IMAX<sup>®</sup> is a registered trademark of IMAX Corporation.

## Non-IFRS Measures

EBITDA and Adjusted EBITDA are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement the IFRS measures disclosed in the Financial Statements by providing further understanding of Saltire's results of operations from management's perspective. Accordingly, these measures should neither be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS.

EBITDA and Adjusted EBITDA are used to provide shareholders with supplemental measures of the Company's operating performance and thus highlight trends in the Company's business that may not otherwise be apparent when relying solely on IFRS measures.

Securities regulations require non-IFRS measures to be clearly defined and reconciled with their most directly comparable IFRS measure. Management believes that EBITDA and Adjusted EBITDA are useful measures to assess the performance of the Company as they provide more meaningful operating results by excluding the effects of items that are not reflective of underlying business performance and other one-time or non-recurring items.

The following table provides the reconciliation of net income to EBITDA and Adjusted EBITDA for the six-month periods ended June 30, 2025 and 2024:

For 6-months ended	June 30, 2025	June 30, 2024
	\$	\$
Net (loss) income	(11,391,050)	1,026,984
Interest expense	355,569	246,857
Income tax expense	467,350	285,960
Depreciation and amortization	266,069	255,762
EBITDA	<u>(10,302,062)</u>	<u>1,815,563</u>
Stock-based compensation	45,177	25,975
Fair valuation of Warrants	11,288,000	-
Adjusted EBITDA	<u>1,031,115</u>	<u>1,841,538</u>

## About Saltire

Saltire is a long-term capital partner that allocates capital to equity, debt and/or hybrid securities of high-quality private companies. Investments made by Saltire consist of meaningful and influential stakes in carefully selected private companies that it believes are under-valued businesses with the potential to significantly improve fundamental value over the long-term. These business will generally have high barriers to entry, predictable revenue streams and cash flows and defensive characteristics. Although Saltire primarily allocates capital to private companies, Saltire may, in certain circumstances if the opportunity arises, also pursue opportunities with orphaned or value-challenged small and micro-cap public companies. Saltire provides investors with access to private and control-level investments typically reserved for larger players, while maintaining liquidity.

## Forward Looking Information

This press release may contain forward-looking information and forward-looking statements within the meaning of applicable securities laws ("**Forward-Looking Statements**"). The Forward-Looking

Statements contained in this press release relate to future events or Saltire's future plans, operations, strategy, performance or financial position and are based on Saltire's current expectations, estimates, projections, beliefs and assumptions, including, among other things, in respect of MDI's performance and project pipeline, Saltire's ability to satisfy the conditions to funding additional draws under the Loan Agreement, the future performance of SanStone, Saltire's ability to maintain compliance with covenants under the Loan Agreement, and management's ability to execute on Saltire's growth plans. Such Forward-Looking Statements have been made by Saltire in light of the information available to it at the time the statements were made and reflect its experience and perception of historical trends. All statements and information other than historical fact may be Forward-Looking Statements. Such Forward-Looking Statements are often, but not always, identified by the use of words such as "may", "would", "should", "could", "expect", "intend", "estimate", "anticipate", "plan", "foresee", "believe", "continue", "expect", "potential", "proposed" and other similar words and expressions.

Forward-Looking Statements are based on certain expectations and assumptions and are subject to known and unknown risks and uncertainties and other factors, many of which are beyond Saltire's control, that could cause actual events, results, performance and achievements to differ materially from those anticipated in these Forward-Looking Statements. Forward-Looking Statements are provided for the purpose of assisting the reader in understanding Saltire and its business, operations, prospects and risks at a point in time in the context of historical and possible future developments, and the reader is therefore cautioned that such information may not be appropriate for other purposes. Forward-Looking Statements should not be read as guarantees of future performance or results. Readers are cautioned not to place undue reliance on Forward-Looking Statements, which speak only as of the date of this press release. Unless otherwise noted or the context otherwise indicates, the Forward-Looking Statements contained herein are provided as of the date hereof, and Saltire disclaims any intention or obligation, except to the extent required by law, to update or revise any Forward-Looking Statements as a result of new information or future events, or for any other reason.

This press release should be read in conjunction with the management's discussion and analysis and unaudited condensed consolidated interim financial statements and notes thereto as at and for the three months ended June 30, 2025 and Saltire's Annual Information Form for the year ended December 31, 2024 dated March 28, 2025.

Additional information about Saltire, including with respect to the risk factors that should be taken into consideration when reading this press release and the Forward-Looking Statements, is available on Saltire's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

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CNW 16:30e 07-AUG-25