atrium research

Initiation Report

# Saltire Capital – Building a Permanent Capital Compounding Machine

**Nicholas Cortellucci, CFA** | Equity Research Analyst | ncortellucci@atriumresearch.ca | 647-391-3314
**Luca Perna** | Equity Research Associate | lperna@atriumresearch.ca | 647-969-1027

| Rating | Target Price |
|---|---|
| **BUY** | **C$8.50** |
| *Initiating* | *Initiating* |

**October 5, 2026**

**Disseminated on Behalf of Saltire Capital**

*All figures in USD unless otherwise stated*

| **Saltire Capital Ltd.** | **SLT:TSX** |
|---|---|
| Rating | BUY |
| Target Price | C$8.50 |
| Return to Target | 262% |

| **Market Data** | |
|---|---|
| Share Price | C$2.35 |
| Average Daily Volume (K) | 5.1 |
| FD ITM Shares (M) | 7.8 |
| Market Cap ($M) | $12.8 |
| Cash ($M) | $5.6 |
| Debt ($M, includes Put Option Liability) | $82.6 |
| Enterprise Value ($M) | $89.8 |

| **FYE Dec 31** | **2025A** | **2026E** | **2027E** |
|---|---|---|---|
| Revenue ($M) | $49.1 | $133.0 | $141.7 |
| Gross Margin (%) | 31% | 26% | 27% |
| Adj. EBITDA ($M) | $3.9 | $14.8 | $17.3 |
| Adj. EBITDA Margin (%) | 8% | 11% | 12% |
| Net Income ($M) | ($3.0) | $12.2 | $5.5 |

| **Valuation** | **2025A** | **2026E** | **2027E** |
|---|---|---|---|
| EV/EBITDA | 22.8x | 6.1x | 5.2x |
| EV/Sales | 1.8x | 0.7x | 0.6x |
| P/E | N/A | 1.0x | 2.3x |

Please refer to the applicable disclosures on the back page
Source: Atrium Research, CapitalIQ, Company Documents




Saltire Capital is a publicly traded permanent capital vehicle that invests in strong, undervalued businesses operating in foundational sectors of the real-world economy. The Company takes meaningful stakes in private businesses with high barriers to entry, predictable cash flows and a defined competitive advantage, providing business owners with a long-term capital partner that supports management continuity and preserves company legacy. Using a disciplined buy-and-build approach, Saltire identifies growth opportunities in fragmented industries, improves business fundamentals and scales businesses into standalone platforms.

**What you need to know:**

- Saltire Capital is a permanent capital vehicle that acquires controlling stakes in profitable businesses with high barriers to entry, predictable cashflows, and strong competitive advantages.
- SLT owns two businesses: 1) MDI, a premium cinema-screen manufacturing company, and 2) SanStone, a heavy equipment dealer in Atlantic Canada. Future acquisitions will focus on the SanStone segment.
- The Company is led by CEO Andrew Clark, who grew funeral services roll-up Park Lawn Corporation from a C$30M market cap to C$900M.

Saltire Capital (SLT:TSX, SLT.U:TSX) is a holding company that buys controlling stakes in profitable, cash-generating businesses, giving public investors private-equity-style access without the fund life, capital calls, or forced exits of a traditional private equity fund. The Company operates two businesses: 1) MDI, a premium cinema-screen manufacturer that is the exclusive supplier to AMC, Cinemark, and Marcus and supplies a large majority of IMAX's screens worldwide; and 2) SanStone, an Atlantic-Canada heavy and agricultural equipment dealer network holding a ~20% regional market share along with a recently acquired tool rental business. **We are initiating coverage on Saltire Capital with a BUY rating and C$8.50/share target price.**

## Investment Thesis Summary

***Permanent Capital Structure.*** Unlike a traditional private equity fund with a set life and forced exits, SLT holds a perpetual pool of capital, letting management own and compound its businesses for the long term. For shareholders, it means liquid, transparent access to control-stake investments without the lock-ups, minimum investments, or redemption gates of a closed-end fund.

***Two Defensible Growth Businesses*.** MDI's exclusive agreements and recurring orders make it a high-margin quality business, generating $19.3M of revenue and $4.2M of EBIT (22% margin) in 2025, which we see rising to $20.4M and $4.3M in 2026. SanStone's exclusive OEM territories and recurring parts-and-service revenue lock in customers and smooth the equipment cycle, and in 2026, its first full year under Saltire, we forecast $112.6M of revenue and $10.6M of EBIT.

***Positive Tailwinds Across Both Businesses*.** MDI will continue to benefit from the xenon-to-laser screen replacement cycle, along with a ~24% CAGR immersive market, increased defence spending, and an expanding IMAX network. SanStone is levered to a multi-year wave of Atlantic-Canada infrastructure, defence, and mining spending, with recurring parts-and-service revenue underpinning demand.

***Ample Acquisition Opportunities.*** Canada's heavy-equipment dealer and rental market is highly fragmented and full of profitable, family-owned businesses with no succession plan, giving Saltire a long runway to acquire them cheaply and roll them into a scalable national platform.

***Top Management Team & Track Record*.** CEO Andrew Clark previously grew Park Lawn Corporation from ~C$30M to nearly C$900M (~25% CAGR). Management and insiders own ~20% of shares, aligning them with shareholders.

***Valuation*.** SLT trades at 6.1x/5.2x 2026E/2027E adjusted EBITDA compared to cinema suppliers at 9.9x/9.2x and heavy equipment dealers at 10.1x/9.2x. We believe the path to multiple expansion is clear via organic growth, acquisitions, and increased visibility.

## Catalysts

- Quarterly Financial Results – Ongoing
- New Investment Announcements – Ongoing

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## Investment Thesis

**We are initiating coverage on Saltire Capital with a BUY rating and C$8.50/share target price.** Saltire Capital is a publicly traded permanent capital vehicle that invests in businesses operating in foundational sectors of the real-world economy. The Company is led by an elite management team with experience in acquisitions and roll-ups, providing investors with private equity-like access for public market investors. The Company has two main segments, MDI and SanStone, both of which have positive growth tailwinds and strong cashflow. MDI operates in the cinema screen manufacturing business, while SanStone operates in the heavy equipment dealer and rental segment.

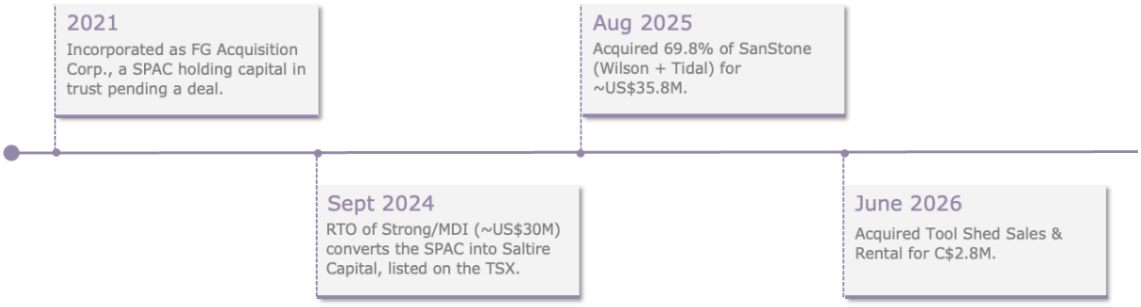



**Figure 1: Acquisition Timeline**

### Permanent Capital Structure

Saltire operates as a publicly traded permanent capital vehicle (PCV), a structure that distinguishes it from traditional private equity funds with finite lifespans and capital call mechanisms. Unlike conventional PE funds, which typically raise capital through limited partnerships with 7–10-year horizons followed by mandatory exits, Saltire maintains a perpetual pool of capital. This allows for long-term, patient ownership of portfolio companies without the pressure of artificial timelines imposed by fund cycles. This allows management to remain focused on the long-term outcomes of its investments and not get distracted by raising and closing funds.

For investors, this provides liquidity through trading on the TSX while delivering exposure to private market opportunities that are typically inaccessible to retail or smaller institutional participants. Saltire's model bridges the gap, enabling shareholders to benefit from control-level stakes and value-creation initiatives without lock-up periods or redemption gates common in closed-end PE vehicles. Furthermore, investors gain access and transparency into Saltire’s private company investments through its quarterly filings, something that traditional PE investing does not provide.

### Two Defensible Growth Businesses

***MDI Screens***

MDI is Saltire's premium cinema screen business and one of the largest screen manufacturers in the world, designing and building large-format silver and white projection screens along with the specialty coatings that finish them. It is the exclusive supplier to AMC, Cinemark, and Marcus Theatres, as well as supplies substantially all IMAX screens globally, accounting for roughly half of the global screen market. What makes it defensible is the nature of its revenue, as screens wear out and are replaced on a cycle, so demand is recurring and replacement-led rather than one-off, while its exclusive franchises give it a locked-in order base at the premium end of the market. This combination makes it a high-margin business, generating $19.3M of revenue and $4.2M of EBIT (22% margin) in 2025, where we forecast 7% topline growth through 2027. Several tailwinds back the growth of the business, in the main screen business, but also in the immersive experience market (see below), defence sector, and via government spending. Furthermore, as a local Canadian company with leading global market share in its respective industry, MDI stands out as a strategic and important asset.

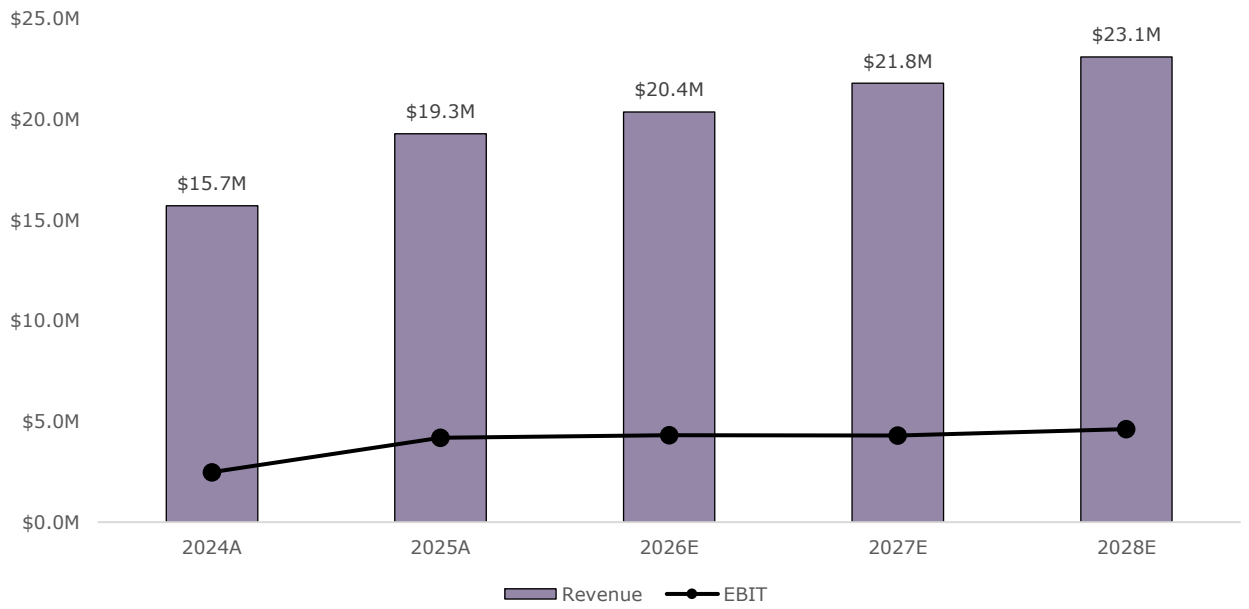



**Figure 2: MDI Projected Revenue and EBIT**

***SanStone Investments***

SanStone is Saltire's Atlantic-Canada heavy and agricultural equipment dealer platform, operating through three brands, which include **1) Wilson Equipment**, which sells heavy equipment across two dealerships, **2) Tidal Tractor**, which sells agricultural and light-construction equipment across four dealerships, and **3) Tool Shed**, a professional tool rental and sales business the Company acquired in June 2026. Together, the platform sells, leases, services, and rents new and pre-owned equipment, and while margins on unit sales are thin, they are offset by a higher-margin, recurring stream of parts, service, and warranty revenue that keeps customers tied to the dealership across the life of a machine. Management estimates the network holds roughly a 20% share of its regional market, protected by exclusive OEM territory rights and recurring parts-and-service revenue. Saltire acquired SanStone (Wilson and Tidal) in August 2025, making 2026E its first full year of contribution, for which we forecast $112.6M in revenue and $10.6M in EBIT (including Tool Shed).

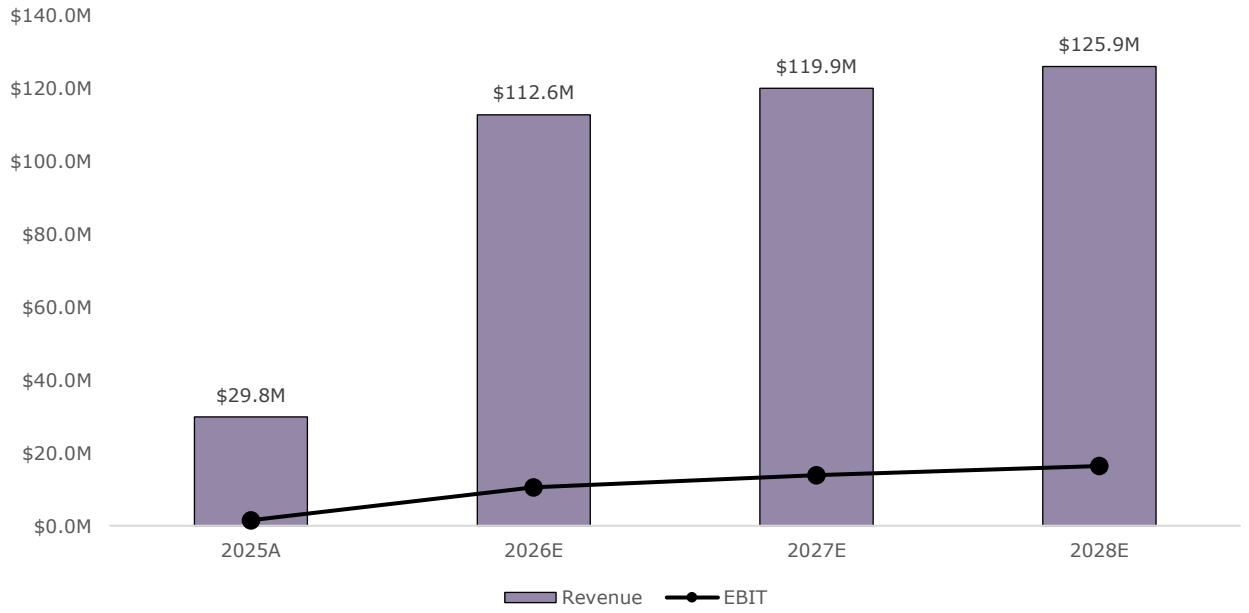



**Figure 3: SanStone Revenue and EBIT**
**SanStone acquisition was completed in August 2025; 2025A does not capture a full year of financials**

### Positive Tailwinds Across Both Businesses

Beyond its structural advantages, Saltire benefits from multi-year demand tailwinds within each of its operations, providing an organic growth runway that can extend over the long-term.

Within MDI, the nearer-term driver is the cinema industry's ongoing migration from xenon to laser projection, a replacement cycle that pulls the installed base of screens through a hardware refresh and, in turn, sustains demand for MDI's screens and coatings. We believe that we are in the sixth inning of that cycle. The upgrade cycle sits alongside the faster-growing immersive and experiential display market, which is expanding at a roughly ~23% CAGR through the end of the decade. In addition to this, the Company's position is protected by exclusive supplier relationships with the major chains, as it is the sole screen supplier to AMC, Cinemark, and Marcus Theatres. Across these three operators, the domestic screen count has drifted lower since its 2019 peak (see figure below), a lingering effect of the pandemic, but the pace of decline has slowed as the industry stabilizes, with the combined base down only about 1% over the past year. Most recently, AMC reported the highest quarterly revenue and Adjusted EBITDA in its 106-year history in its Q2/26 results, set against an industry-wide domestic box office of roughly $3.0B, its strongest quarter in seven years, a clear sign that the post-pandemic decline has run its course. Almost all other public cinema companies are also reporting record results.

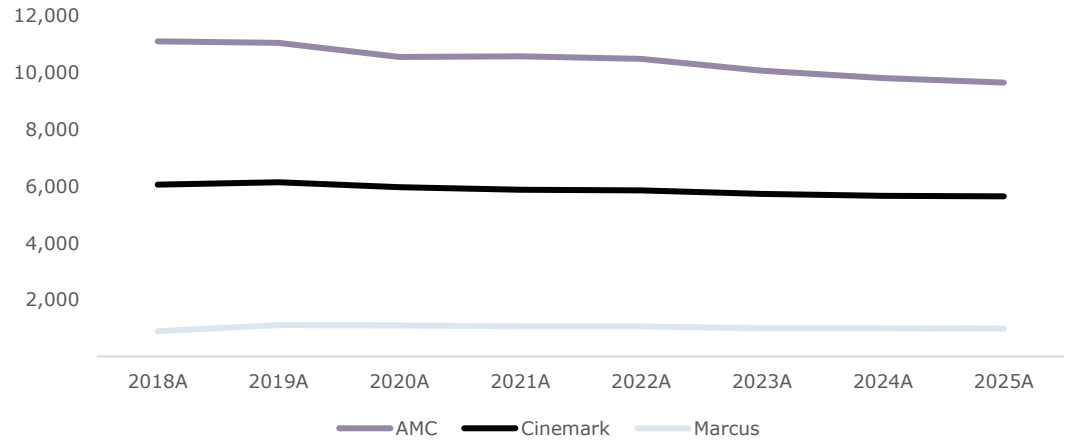



**Figure 4: Domestic Screen Count, 2018 to 2025 (Source: Company Documents)**

While the traditional screens slowly decline, IMAX is moving in the opposite direction. MDI supplies substantially all of IMAX's screens worldwide and renewed its agreement with IMAX in April for a new five-year term. IMAX's network is ever-growing and carries a backlog of 434 systems on top of its global network of over 1,800 systems. Exhibitors continue adding IMAX auditoriums as premium large-format screens command higher ticket prices and draw a disproportionate share of box office, so even as the overall screen base slowly declines, IMAX is steadily gaining share of the screens that matter most, with MDI capturing that growth.




**Figure 5: IMAX Global System Network, 2015 to 2025 (Source: IMAX)**

Beyond the cinema and IMAX recovery, two further tailwinds are building for MDI. Rising defence spending (including Canada) is driving investment in military training simulators that rely on the same immersive projection screens MDI produces, while the fast-growing immersive and experiential entertainment market continues to expand demand for the large format screens MDI manufactures for theme-park attractions and rides.

At SanStone, the demand backdrop is a multi-year wave of public and private capital spending across Atlantic Canada, spanning highway and hospital construction, defence activity in the region, the clean-energy build-out, and a reviving mining sector (see our Industry Overview for more details). Through our conversations with management, we understand Wilson is among the most profitable equipment dealers per unit in the region, positioning it to capture an outsized share of the revenue that each of the aforementioned initiatives can drive. Management has also indicated the near-term acquisition pipeline skews toward the dealer and rental space, with meaningful undrawn capacity under its Sagard facility available to fund it. Supporting all of this is recurring parts-and-service revenue, which follows the in-service fleet regardless of the new-equipment cycle. SanStone should also see near-term margin improvement as the Sany equipment Tidal has sold since becoming an authorized dealer in 2020 rolls off its roughly five-year warranty, shifting that work into higher-margin parts and service.

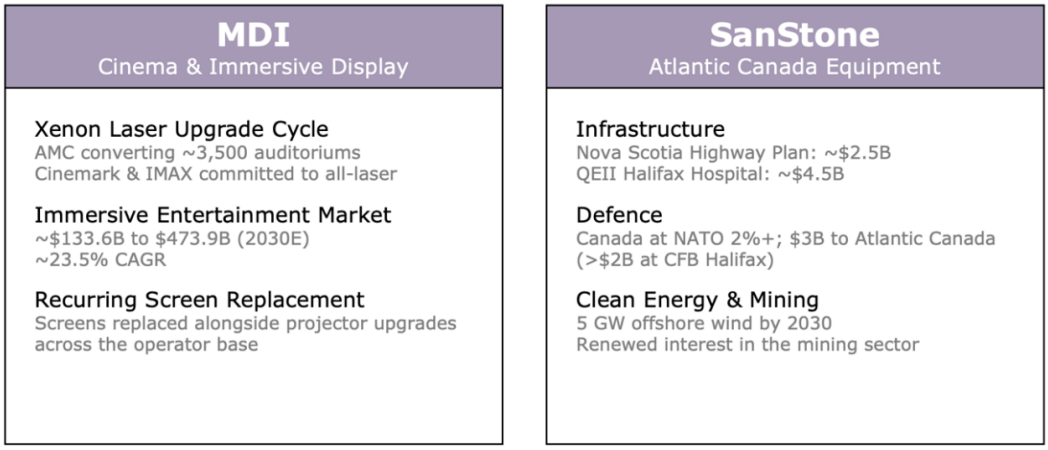



**Figure 6: Organic Demand Tailwinds Across Both Platforms**
**(Source: Company Documents, Government of Nova Scotia, Research and Markets)**

### Ample Acquisition Opportunities in Heavy Equipment

The heavy equipment sector in Canada, spanning construction, mining, agricultural, and industrial machinery dealerships and rentals, remains highly fragmented, with numerous regional players holding limited market share. This creates a ripe environment for consolidation via buy-and-build strategies. Inefficiencies in pricing, purchasing power, relationship management, and geographic coverage offer significant opportunities for Saltire Capital to acquire undervalued, cashflow-positive businesses and integrate them into a scalable national operation, capitalizing on infrastructure spending and resource sector demand. These businesses are often family-owned and operated with no succession plan, allowing SLT to acquire them for cheap while still providing a strong outcome for the family. These companies also have strong assets (equipment) that support leverage and attractive financing.

### Top Management Team & Track Record

Saltire is led by Executive Chairman Larry G. Swets Jr., who brings over 25 years of financial services experience, serves as Head of Merchant Banking for Fundamental Global Inc. (FGF:NASDAQ), and previously served as CEO of FG Acquisition Corp., the special purpose acquisition corporation through which Saltire was launched in 2024. The CEO is Andrew Clark, a proven business leader who previously served as Chairman and CEO of Park Lawn Corporation (PLC:TSX, acquired), where the company grew from a market cap of ~C$30M to almost C$900M under his leadership, delivering a total shareholder return of 337% and a ~25% CAGR in just under 7 years. PLC utilized a roll-up strategy, with Andrew completing over 25 acquisitions and investments during his tenure. Additionally, he co-founded Anthem Partners, which is now among the top ten businesses in the North American bereavement sector. CIO Robert Clark, also a co-founder of Anthem Partners and former VP and Managing Director, Investments at Park Lawn, draws on a background managing more than $400M in pre-need and perpetual care trust funds and prior investment roles at Bentall Kennedy (now BentallGreenOak).

Management and insiders collectively own ~20% of Saltire's 7.8M pro forma shares outstanding, showing strong alignment with shareholders. Three institutions own ~51% of shares outstanding, leaving a tight free float of ~2.3M shares (~29%).

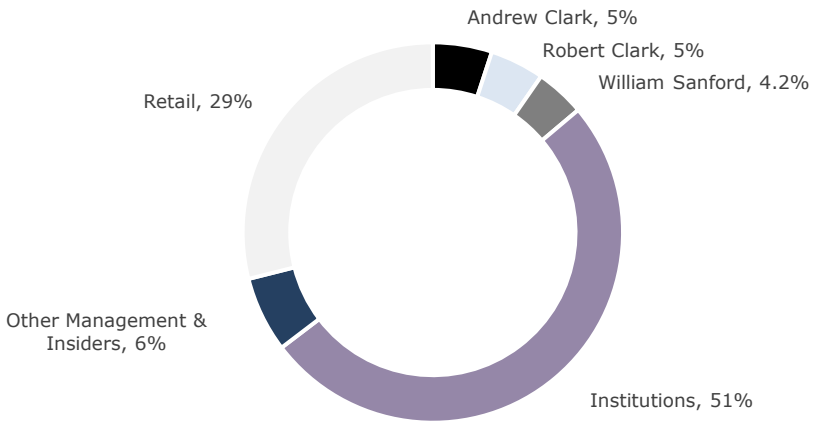



**Figure 7: Ownership Summary**

## Valuation

### *Peer Group Analysis*

We divide our comparable set into two groups, cinema suppliers and heavy equipment dealers/renters. The cinema group is small and does not show a clear trend, with IMAX trading at a strong premium of 15.4x/14.2x 2026E/2027E EBITDA, reflecting its long-term growth and market positioning. Dolby Laboratories trades at 9.0x/8.6x and Barco NV trades at 5.4x/4.8x, while D-Box Technologies does not have forward-looking estimates available but trades at a strong 16.2x LFY EBITDA. The group average valuation is 9.9x/9.2x, with an average sales CAGR of 6% and an EBITDA margin for 2026 of 31%. This compares to SLT at 6.1x/5.2x, with MDI growing slightly faster than the group average with slightly lower margins (~25%).

As for the heavy equipment dealers and renters segment, the universe is much larger, with the group trading at 10.1x/9.2x 2026E/2027E EBITDA on average. The group exhibits low growth of 7% on average with EBITDA margins of 23%. Again, SLT trades at a discount to this group at 6.1x/5.2x, reflecting its holding company discount and micro-cap status. We can foresee Saltire's valuation expanding as it 1) provides further visibility on SanStone, 2) removes its going concern in Q2, 3) continues to allocate capital to larger acquisitions, and 4) tells its story to the market, increasing liquidity.

| Company | Ticker | Mkt Cap | EV | Sales CAGR | EBITDA Margin | EV/EBITDA | | | EV/Sales | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | (US$) | (US$) | 2024A-2027E | 2026E | 2025A | 2026E | 2027E | 2025A | 2026E | 2027E |
| ***MDI Comps*** | | | | | | | | | | | |
| Dolby Laboratories, Inc. | DLB | $5,523 | $4,900 | 5% | 38% | 13.3x | 9.0x | 8.6x | 3.6x | 3.4x | 3.3x |
| Imax Corporation | IMAX | $2,892 | $3,015 | 11% | 42% | 22.3x | 15.4x | 14.2x | 7.4x | 6.5x | 6.2x |
| Barco NV | BAR | $660 | $696 | 3% | 12% | 6.0x | 5.4x | 4.8x | 0.6x | 0.6x | 0.6x |
| D-Box Technologies Inc. | DBO | $171 | $161 | N/A | N/A | 16.2x | N/A | N/A | 4.0x | N/A | N/A |
| **Average** | | | | **6%** | **31%** | **14.5x** | **9.9x** | **9.2x** | **3.9x** | **3.5x** | **3.4x** |
| ***SanStone Comps*** | | | | | | | | | | | |
| United Rentals, Inc. | URI | $66,948 | $82,221 | 8% | 45% | 18.5x | 10.2x | 9.4x | 5.1x | 4.6x | 4.3x |
| Toromont Industries Ltd. | TIH | $13,594 | $13,359 | 10% | 20% | 19.6x | 16.1x | 14.1x | 3.7x | 3.2x | 2.9x |
| Finning International Inc. | FTT | $10,351 | $12,039 | 7% | 12% | 15.3x | 12.9x | 11.9x | 1.6x | 1.5x | 1.4x |
| Herc Holdings Inc. | HRI | $4,618 | $14,133 | 15% | 42% | 15.8x | 6.8x | 6.1x | 3.2x | 2.9x | 2.6x |
| Wajax Corporation | WJX | $601 | $860 | 1% | 9% | 9.5x | 6.8x | 6.4x | 0.6x | 0.6x | 0.6x |
| Alta Equipment Group Inc. | ALTG | $210 | $1,372 | 1% | 9% | 26.2x | 8.0x | 7.4x | 0.7x | 0.7x | 0.7x |
| **Average** | | | | **7%** | **23%** | **17.5x** | **10.1x** | **9.2x** | **2.5x** | **2.3x** | **2.1x** |
| **Saltire Capital Ltd.** | **SLT** | **$13** | **$90** | **108%** | **11%** | **22.8x** | **6.1x** | **5.2x** | **1.8x** | **0.7x** | **0.6x** |

**Figure 8: Peer Group Analysis (Source: Capital IQ)**

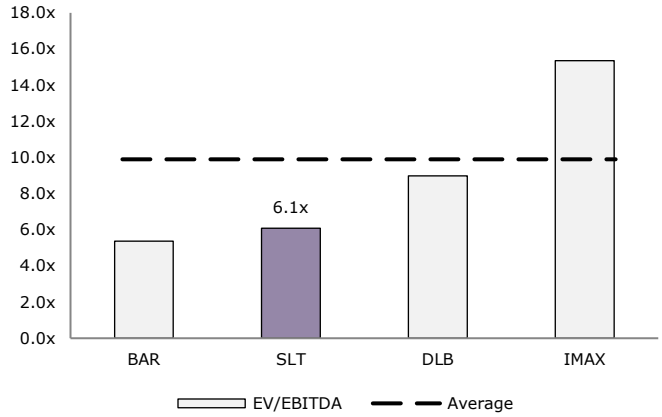



**Figure 9: MDI Peers 2026E EV/EBITDA (Source: Capital IQ)**

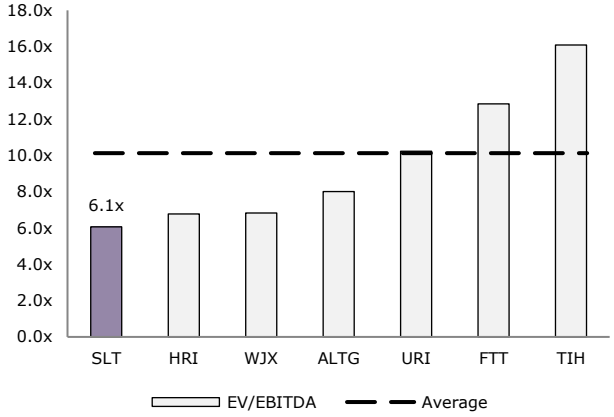



**Figure 10: SanStone Peers 2026E EV/EBITDA (Source: Capital IQ)**

***Target Price Derivation***

For our target price, we use a sum-of-the-parts (SOTP) valuation. We use 2027 as our valuation year to incorporate a full year of Tool Shed. We begin with our forecasted 2027E EBITDA for MDI of $5.0M, to which we apply a 8.5x EV/EBITDA multiple, just below the peer group average, reflecting MDI's superior growth and exclusive cinema franchises, but incorporating its lower margins. This values MDI at $42.6M or $5.47/share. For SanStone, we apply a 8.0x multiple, also a discount to the dealer and rental peer group due to the lower margins, to our 2027E EBITDA of $16.0M, valuing the platform at $128.1M on a 100% basis or $16.46/share. The 30.2% minority interest that is not owned by SLT is captured through the put-option liability, which we include within net debt below. As such, we assume that SLT owns 100% of SanStone, paid via the put option liability. We do not assume any future acquisitions and will update our model as new deals are announced.

For the corporate segment we annualize the Q2 run-rate of holding-company costs for $3.8M, which we apply a 7x multiple to. Summing these components results in a total enterprise value of $143.8M.

To bridge to equity, we add cash of $5.6M and subtract total debt of $82.6M, in which we include the $26.3M put-option liability owed to SanStone's minority shareholders, but do not include the floor plan payable as it is more akin to working capital than debt. Our valuation incorporates Tool Shed financials and the associated new shares issued and cash outlay. This produces an equity value of $66.8M. We then apply a holding company discount of 30% and convert to CAD to arrive at our target price of C$8.50/share. The target price is equivalent to 7.2x 2027E EBITDA or 10.0x 2027E earnings.

| EBITDA Multiple Valuation | |
|---|---|
| MDI - 2027E EBITDA | $5.0 |
| EV/EBITDA Multiple | 8.5x |
| **MDI Enterprise Value** | **$42.6** |
| | |
| SanStone - 2027E EBITDA | $16.0 |
| EV/EBITDA Multiple | 8.0x |
| **SanStone Enterprise Value** | **$128.1** |
| | |
| Corporate Segment - 7x 2027E EBITDA | ($26.9) |
| **Total Enterprise Value** | **$143.8** |
| | |
| (+) Cash | $5.6 |
| (-) Debt | $82.6 |
| Equity Value | $66.8 |
| Holding Company Discount | 30% |
| | |
| **Target Price (Rounded)** | **C$8.50** |
| *Upside* | *262%* |

**Figure 11: Target Price Calculation**

| MDI 2027E EV/ EBITDA | SanStone 2027E EV/EBITDA 6.0x | 7.0x | 8.0x | 9.0x | 10.0x |
|---|---|---|---|---|---|
| 6.5x | C$3.00 | C$5.00 | C$7.50 | C$9.50 | C$11.50 |
| 7.5x | C$4.00 | C$6.00 | C$8.00 | C$10.00 | C$12.00 |
| 8.5x | C$4.50 | C$6.50 | **C$8.50** | C$10.50 | C$12.50 |
| 9.5x | C$5.00 | C$7.00 | C$9.00 | C$11.00 | C$13.50 |
| 10.5x | C$5.50 | C$8.00 | C$10.00 | C$12.00 | C$14.00 |

**Figure 12: Sensitivity Analysis**

***DCF Valuation***

For our DCF, we assume total revenue grows at a 4% CAGR to 2030 while adjusted EBITDA grows at a faster 11% since the corporate overhead will stay relatively stable compared to the operating leverage seen in the two businesses. We do not assume any future acquisitions, resulting in strong FCFF in each year. In order to reaffirm our SOTP target from above, we must apply a 10% WACC and 4.2x exit multiple, which is much lower than the peer group averages. Additionally, the sum of the present values of the FCFF figures nearly equals SLT's EV.

| | 2026E | 2027E | 2028E | 2029E | 2030E |
|---|---|---|---|---|---|
| Revenue ($M) | 133.0 | 141.7 | 145.8 | 151.9 | 158.2 |
| Adj. EBITDA ($M) | 14.8 | 17.3 | 21.0 | 21.9 | 22.9 |
| FCFF ($M) | 17.7 | 16.7 | 18.0 | 20.4 | 22.0 |
| PV of FCFF | 16.9 | 15.2 | 14.9 | 15.4 | 15.2 |

| WACC | |
|---|---|
| Cost of Equity | 15% |
| Cost of Debt | 9% |
| % Equity | 13% |
| % Debt | 87% |
| WACC | 10% |

| DCF | |
|---|---|
| Sum of PV FCFFs | $77.6 |
| 2030E EBITDA | $22.9 |
| Exit Multiple | 4.2x |
| Terminal Value | $96.0 |
| PV of Terminal Value | $66.0 |
| Enterprise Value | $143.6 |
| (+) Cash | $5.6 |
| (-) Debt | $82.6 |
| Equity Value | $66.6 |
| Holding Company Discount | 30% |
| **Target Price (Rounded)** | **C$8.50** |
| *Upside* | *262%* |

**Figure 13: DCF Summary**

## Tear Sheet

| Market Data | |
|---|---|
| Ticker | SLT:TSX |
| Stock Price | C$2.35 |
| Rating | BUY |
| Target Price | C$8.50 |
| Upside | 262% |
| Market Cap ($M) | $12.8 |
| Cash ($M) | $5.6 |
| Debt ($M) | $82.6 |
| EV ($M) | $89.8 |

| Capital Structure | |
|---|---|
| Basic Shares Outstanding (M) | 7.8 |
| Warrants (M) | 13.1 |
| Options (M) | 0.0 |
| FD Shares (M) | 20.9 |
| FD ITM Shares (M) | 7.8 |

| Ownership | |
|---|---|
| Management & Insiders | 20% |
| Institutions | 51% |
| Retail | 29% |

| Financial Estimates | 2025A | Q1/26A | Q2/26A | Q3/26E | Q4/26E | 2026E | Q1/27E | Q2/27E | Q3/27E | Q4/27E | 2027E | 2028E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Revenue ($M)** | **49.1** | **29.6** | **35.1** | **34.0** | **34.3** | **133.0** | **31.9** | **37.9** | **35.8** | **36.1** | **141.7** | **145.8** |
| *% YoY* | *213%* | *581%* | *615%* | *74%* | *69%* | *171%* | *8%* | *8%* | *5%* | *5%* | *7%* | *3%* |
| **Gross Profit ($M)** | **15.0** | **6.9** | **8.8** | **9.3** | **9.4** | **34.4** | **8.7** | **10.3** | **9.9** | **10.0** | **38.9** | **42.2** |
| *Gross Margin* | *31%* | *23%* | *25%* | *27%* | *27%* | *26%* | *27%* | *27%* | *28%* | *28%* | *27%* | *29%* |
| **Adj. EBITDA ($M)** | **3.9** | **2.9** | **3.8** | **4.0** | **4.1** | **14.8** | **3.8** | **4.6** | **4.4** | **4.5** | **17.3** | **21.0** |
| *EBITDA Margin* | *8%* | *10%* | *11%* | *12%* | *12%* | *11%* | *12%* | *12%* | *12%* | *12%* | *12%* | *14%* |
| Net Income ($M) | (3.0) | 6.2 | 3.7 | 1.1 | 1.2 | 12.2 | 0.9 | 1.6 | 1.5 | 1.5 | 5.5 | 9.6 |
| Comprehensive Income ($M) | (2.5) | 5.3 | 2.6 | 1.1 | 1.2 | 10.1 | 0.9 | 1.6 | 1.5 | 1.5 | 5.5 | 9.6 |
| FCFF ($M) | 3.0 | 9.0 | (2.9) | 7.1 | 4.3 | 17.7 | 3.9 | (2.7) | 10.4 | 5.1 | 16.7 | 18.0 |

**Figure 14: Tear Sheet**

## Company Overview

### Business Model

Saltire is a permanent capital holding company which trades on the TSX. Rather than running a single operating business, it buys controlling or influential stakes in private, cash-generative companies and holds them for the long term, with the goal of compounding the portfolio's per-share value over time. Unlike a private equity fund, Saltire has no fixed life and no obligation to sell its businesses by a set date, so it can let its holdings compound and recycle the cash into new deals. As of today, that portfolio runs through two main platforms, **MDI** and **SanStone Investments**, and the cashflow from those businesses helps fund future acquisitions.

Saltire is externally managed, which means rather than employing its own executives, it contracts with Saltire Partners Inc. (referred to as the "Manager"), which supplies its senior officers and sources its deals. Saltire owns 20% of the Manager and pays it a fee of 2.0% of net assets, though that fee only begins above a $200M market cap (currently ~$13M), as such, none has been paid to date.

### MDI Screens

MDI (formerly Strong MDI Screen Systems) is Saltire's premium projection screen business that designs and manufactures large-format cinema screens along with a growing line of immersive display products, and it is one of the largest screen makers in the world. The Company supplies the majority of the large-format screens used by the major North American cinema operators, substantially all of IMAX's screens globally, and by its own estimate, roughly half of the global screen market. As such, the Company is highly relevant and strategic, especially being Canadian.

MDI was Saltire's first acquisition and the deal that effectively created the Company, buying out the Strong/Fundamental Global group in September 2024 at a ~US$30M valuation and used as the qualifying acquisition that turned Saltire from a shell into an operating holding company. Today, MDI sells into the following markets: **1) cinema**, **2) Pro-AV**, and **3) themed entertainment**. By revenue, cinema versus the other categories is roughly split 80/20, with management expecting the majority of future growth to come from these non-cinema segments, particularly defence and government spending.

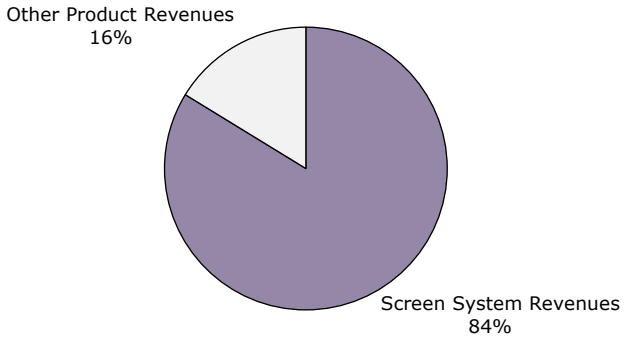



**Figure 15: MDI Q2/26 Revenue Segments (Source: Company Documents)**

***Cinema Screens***

Cinema is MDI's core business and its largest end-market, and the segment in which the Company has built its global reputation as a premium screen manufacturer. MDI sits at the high end of the exhibition market, with its screens used by some of the largest cinema chains in the world as well as by IMAX.

| Circuits | Screens | Sites | Customer | Exclusive |
|---|---|---|---|---|
| AMC Entertainment Holdings, Inc. | 9,640 | 855 | ✓ | ✓ |
| Regal Cinemas (Cineworld Group PLC) | 5,386 | 394 | ✓ | |
| Cinemark Holdings, Inc. | 5,637 | 496 | ✓ | ✓ |
| Cinépolis | 6,860 | 892 | ✓ | |
| Cineplex Entertainment LP | 1,606 | 154 | ✓ | |
| Marcus Theaters Corp. | 985 | 78 | ✓ | ✓ |

**Figure 16: MDI's Top North American Cinema Customers (Source: Company Documents)**

Many of the Company's relationships from above are long-standing and recurring rather than one-off sales, and MDI serves as the exclusive supplier for AMC, Cinemark, and Marcus Theatres. Because of this, MDI has reasonable forward visibility, as exhibitors typically share their ordering budgets for the coming year near the end of each calendar year. In late 2025 and early 2026, MDI renewed multi-year agreements with both IMAX and Cinemark and is currently working towards a renewal agreement with Cinépolis.

Before getting into the different products, we thought it would be helpful for readers to explain the concept of screen gain, which essentially measures how much light a screen reflects relative to a standard matte-white surface rated at 1.0. Gain trades off against viewing angle, so a high-gain screen produces a brighter image but holds that brightness across a narrower band of seats, while a lower-gain screen looks more uniform towards the edges of an auditorium. When comparing silver versus white screens, silver screens are higher-gain and preserve the light polarization that 3D depends on; white screens are lower-gain and spread a more even image across a wider seating area.

As for the products, MDI manufactures a family of proprietary silver and white screens, among them its laser-ready HGA ReAct silver screen, Stereoview 3D, and HighWhite, each finished with specialty coatings developed in its own laboratory. Management notes that its premium HGA surfaces reflect up to 40% more light than a standard screen while preserving the widest viewing angle available at comparable gain. Its white-gain screens, in turn, are engineered to deliver the same on-screen brightness at lower projector output, reducing operating costs for the exhibitor. The laser-ready characteristic is especially relevant in the current environment, as the industry's migration from xenon to laser projection is prompting operators to replace screens in tandem with their projector upgrades, which we touch on in our industry overview below. MDI maintains a working relationship with Barco, one of the leading laser-projection providers, with whom it co-developed the first Barco Escape wraparound cinema system.

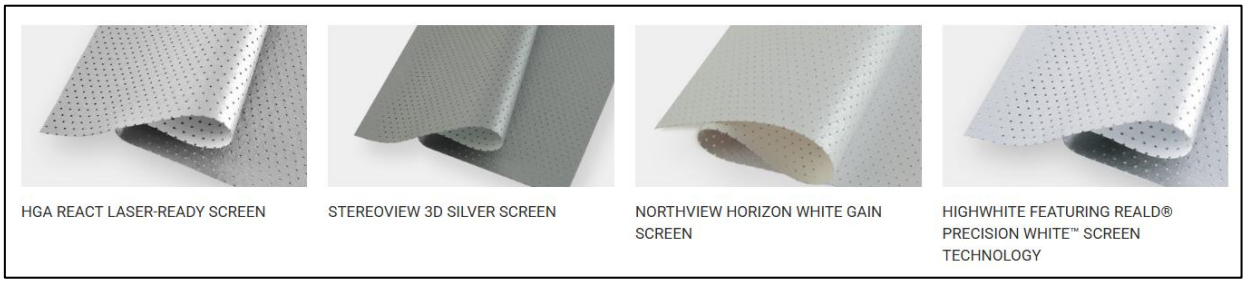



**Figure 17: MDI Cinema Products (Source: Company Documents)**

*Case Study — IMAX, Darling Harbour (Sydney, Australia):*
MDI has supplied IMAX's highest-gain silver screens for more than a decade and manufactured one of the largest 3D screens in the world for IMAX's Darling Harbour theatre in Sydney. The 97' by 117' surface was coated on site in Australia by the MDI team and speaks to both the depth of the IMAX relationship and the manufacturing capability that allows MDI to produce and finish formats well beyond the reach of most competitors. For context, the size of the screen is comparable to the size of roughly four tennis courts.

***Pro-AV Screens***
Beyond the cinema screen market, MDI applies the same manufacturing and coating expertise to the professional audiovisual market, supplying custom screens and support structures for venues of nearly any size or shape. The segment spans the following verticals:

1) Museums
2) Themed Entertainment
3) Live Events
4) Houses of Worship
5) Education
6) Corporate
7) Broadcast
8) Defence

The Pro-AV screens segment consists of one-off projects in which MDI is able to build anything from a simple classroom motorized screen to immersive structures. The segment is where MDI produces its largest formats, having built a 420ft-wide display for the Open Text Enterprise World conference at the Metro Toronto Convention Centre. Supporting the projects is a catalogue of made-to-order products, including the Domino frame, which can be built into virtually any shape, and the Strongview line of motorized screens, which are all manufactured at the Company's facility in Quebec.





**Figure 18: MDI Pro-AV and Large-Format Event Installations (Source: Company Documents)**

For MDI, the Pro-AV segment can also be looked at as a source of diversification, as its demand is driven by museum, corporate, and event budgets rather than the capital spending cycle of the cinema operators. We are expecting stronger growth from this segment relative to the cinema segment.

*Case Study — Museum & Experiential Installations:*
MDI's range shows clearly in its museum work. For the Montreal Museum of Fine Arts, it manufactured a circular Domino frame and a translucent Studioview surface to reproduce Marc Chagall's Opéra de Paris ceiling for the Chagall: Colour and Music exhibition, a project that required a single screen capable of both front and rear projection. At Iceland's Perlan Museum, it supplied a curved, non-perforated rear-view screen that, paired with autocalibration technology, blended six projectors into one seamless image to create a virtual aquarium.

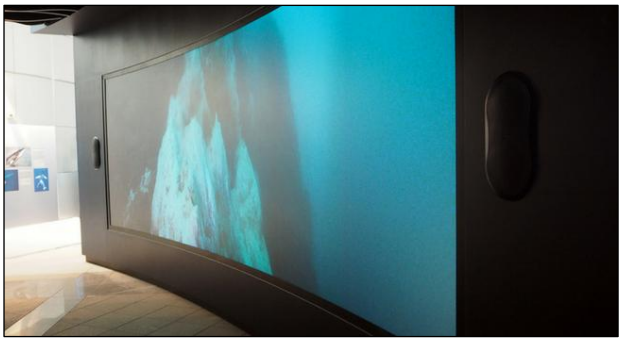



**Figure 19: Montreal Museum of Fine Arts, Chagall: Colour and Music (Left) & Perlan Museum Virtual Aquarium, Iceland (Right) (Source: Company Documents)**

***Themed Entertainment***
Themed entertainment is MDI's smallest but fastest-growing market, where the Company supplies turnkey screen solutions for large-scale immersive displays such as theme park rides (see below), flying theatres, or museums. This represents a growing market as rides are becoming more immersive and complex, playing into MDI's value proposition.

Similar to the Pro-AV segment, the themed entertainment segment consists of bespoke, project-led engagements in which MDI handles the full scope of work, from custom design and manufacturing through to on-site construction, installation, and coating application. The segment is anchored by two proprietary technologies, the first being the Eclipse solid curvilinear screen, a seamless surface designed for maximum viewer engagement that minimizes light loss to hold higher resolution at lower projector output, and which incorporates patented speaker panels so that audio appears to come from the projected image rather than from offset speakers. The second is MDI's family of optical coatings, such as the Orion high-contrast gray finish, which the Company often applies onsite to deliver 3D imagery that holds up even at the off-axis viewing angles common in ride vehicles.

MDI also produces SEISMOS haptic flooring and has supplied screens and coatings to high-profile immersive experiences, including the Van Gogh: The Immersive Experience tour and the Illuminarium.

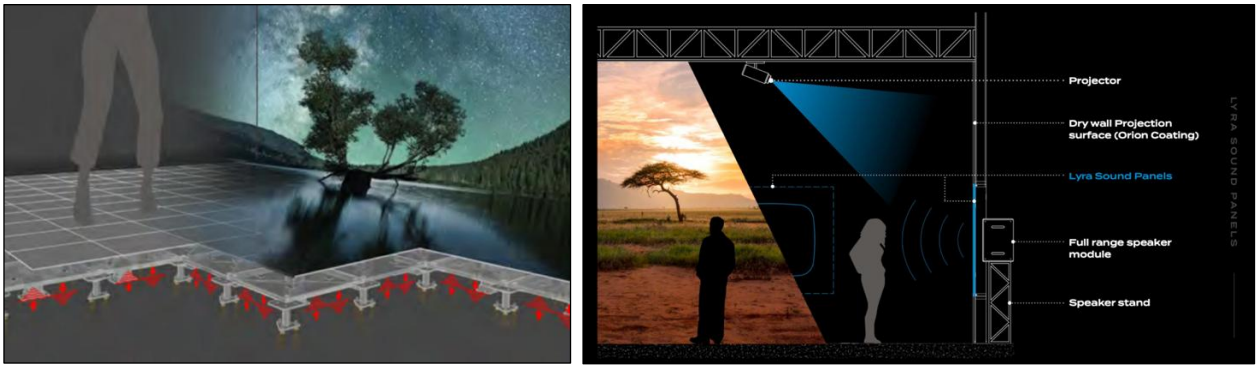



**Figure 20: SEISMOS Haptic Flooring (Left) and the Lyra Sound-Panel Projection System with Orion Optical Coating (Right) (Source: Company Documents)**

*Case Study — NINJAGO The Ride (Triotech/Legoland):*
Triotech Amusements, which is a leader in multi-sensory interactive attractions, entrusted MDI with the projection surfaces for the 3D animations in NINJAGO The Ride, an attraction it developed for Legoland theme parks across Europe, North America, and Asia. MDI coated several of the ride's structural elements onsite with a coating it developed specifically to deliver strong 3D viewing even when audiences are seated at sub-optimal viewing angles, precisely the challenge posed by a moving dark ride.




**Figure 21: NINJAGO The Ride (Source: Legoland)**

***Facility***
MDI manufactures these out of its 83,000 SF facility in Joliette, Quebec, which is located roughly one hour from Montreal. The plant houses two 90-foot screen-coating towers, in-house paint and coating production, PVC-welding operations with programmable automation, and a dedicated team of chemists and R&D staff.

The facility is ISO-9001:2015 certified, and every projection surface is inspected with a digital DLP projector under 20 foot-lamberts of luminance, which MDI notes surpasses SMPTE (Society of Motion Picture and Television Engineers) requirements. Its in-house coating laboratory lets MDI's chemists develop the specialty surface coatings that keep its screens current with the rapid pace of projector technology along with the Company's in-house manufacturing.



**Figure 22: MDI Manufacturing Facility and Corporate Headquarters (Source: Company Documents)**

***History***

MDI traces its roots to 1968, when it was founded as Marcel Desrochers Inc., a leading Canadian stage-equipment supplier. It moved into projection screens in 1980 and added front-projection cinema screens in 1991 as demand from the film industry grew, before becoming a wholly owned subsidiary of Ballantyne Strong Inc. in 2007 and operating as Strong/MDI. In April, the Company rebranded back to simply MDI, refreshing its identity to reflect a portfolio that has grown well beyond cinema into simulation, attractions, and professional AV.

### SanStone Investments

SanStone Investments is a heavy construction and agricultural equipment dealership platform. Through its operating brands, SanStone sells, leases, services, and rents new and pre-owned equipment across Atlantic Canada and supplies contractor tools and safety products, generating revenue from equipment sales (which often involve customer trade-ins) alongside recurring revenue from parts, service, warranty work, extended-service contracts, and rentals.

Saltire acquired a 69.8% controlling interest in SanStone for ~US$35.8M in August 2025, which was funded through a US$50.1M draw on the Company's term loan and concurrent brokered and non-brokered private placements (raising ~C$3.9M at C$11.78). It then expanded the platform in June, when SanStone acquired Tool Shed Sales and Rental Inc. for C$2.8M in cash and stock (~C$1.0M cash plus ~408.6K shares at C$4.32). Through SanStone, Saltire now owns:

- **Wilson Equipment** — a heavy-equipment dealer serving Nova Scotia's road-building, construction, forestry, and mining sectors.
- **Tidal Tractor** — an agricultural and light-construction equipment dealer operating across the Maritimes.
- **Tool Shed Sales & Rental** — a tool and equipment rental and contractor-supply business in Nova Scotia.

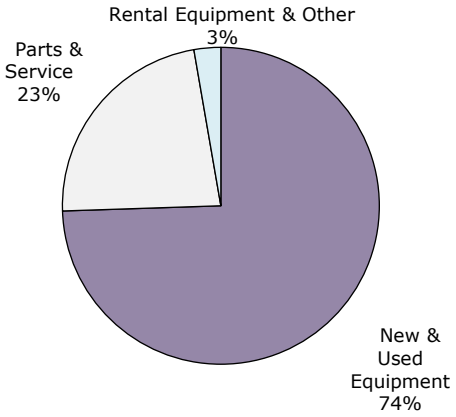



**Figure 23: SanStone Q2/26 Revenue Segments (Source: Company Documents)**

***Wilson Equipment***

Wilson Equipment is SanStone's heavy-equipment dealer and the anchor of SanStone's commercial and industrial exposure. Founded in 1955 and headquartered in Truro, Nova Scotia, Wilson is a family-built dealership that has served the province's road-building, construction, forestry, and mining sectors for nearly seven decades, operating out of two locations in Truro and Dartmouth (opened in 2014). Wilson was acquired by SanStone Investments in 2013 before SanStone was eventually acquired by Saltire.

Wilson sells new and used heavy equipment vehicles for brands such as Komatsu, Dynapac, and GEHL, which manufacture a range of products, as seen below, alongside Gatormade trailers and a range of complementary attachment lines.




**Figure 24: Komatsu (Top), GEHL (Middle), and Dynapac (Bottom) Products (Source: Company Documents)**

Given the nature of the business, where heavy equipment like excavators, trucks, and compaction drums often carry a six-figure price tag, and the smaller pool of major operators across Atlantic Canada compared to a dense hub like the Greater Toronto Area, Wilson's revenue naturally skews toward a handful of large accounts. In 2025, its top ten customers made up roughly 70% of revenue, with a single customer exceeding 25%. That kind of concentration is just the nature of a regional heavy-equipment dealer, rather than a red flag.

The dealership also runs full parts-and-service operations out of its Truro and Dartmouth locations, handling repairs, scheduled maintenance, warranty work, and parts supply across the life of a machine. This revenue is higher-margin and far more recurring than new-equipment sales, which is what keeps customers tied to the dealership long after the initial purchase. It also smooths the cyclicality of unit sales and is a core reason a well-run regional dealer is a defensible, cash-generative business.

***Tidal Tractor***

Tidal Tractor is SanStone's agricultural and light-construction equipment dealer, selling to a broad base of farmers and independent operators across the Maritimes. Tidal runs four locations, Port Williams, Central Onslow, and Dartmouth in Nova Scotia, plus Moncton in New Brunswick, with its product and financing backed by Tier-1 OEM relationships.

Tidal has been an authorized Sany dealer since 2020 and carries Sany, New Holland, and Case IH as its core lines, rounded out by JCB, KIOTI, and Cub Cadet, and other brands. Sany ranks among the top handful of construction-equipment makers in the world, sitting behind the likes of Caterpillar and Komatsu but ahead of most Western names, and it is the global number one in concrete machinery. As mentioned above, the first units Tidal sold as a Sany dealer are now rolling off their roughly five-year warranty, shifting servicing on that fleet into higher-margin, out-of-warranty parts and service work.




**Figure 25: List of Brands Carried by Tidal Tractor (Source: Company Documents)**

Unlike Wilson, which sells a few big machines to a handful of larger accounts, Tidal is the opposite. Its equipment is smaller-ticket, and its customers are mostly individual farmers and small operators, so revenue is spread across a lot of buyers rather than riding on a few. In 2025, its top ten customers made up only about 11% of revenue, which gives Tidal a much more granular, defensive profile than Wilson and makes the two a nice balance within the platform.

***Tool Shed***

Tool Shed is a Nova Scotia-based business that rents and sells professional tools, contractor supplies, safety equipment, and scaffolding. It is the most recent addition to the SanStone portfolio, being acquired in June for C$2.8M (paid in cash and stock) and the smallest of the three platforms.

The Company will continue to be run by its existing team under President Jason MacPhee, and pushes SanStone beyond selling big machines and into the more day-to-day, recurring side of the industry. Rental revenue tends to be steadier and stickier than equipment sales, and the customer base of contractors and tradespeople is much broader than that of Wilson and Tidal.

## History

Saltire started as a special purpose acquisition corporation (SPAC). Saltire's qualifying merger closed in 2024 with the MDI acquisition, and the rest of the platform has been built out through a handful of deals since.

**2021 –** Incorporated in British Columbia as FG Acquisition Corp., a SPAC sponsored by FGAC Investors and CG Investments.

**2022 –** Completed its IPO, with proceeds held in trust pending an acquisition.

**2024 –** Acquired Strong/MDI Screen Systems through a reverse takeover and renamed itself Saltire Capital, listing on the TSX under SLT and SLT.U. At the same time, it brought on Saltire Partners as its external manager (in which Saltire holds a 20% stake) and made a small convertible note investment tied to Anthem Partners.

**2025 –** Bought a 69.8% stake in SanStone Investments (Wilson Equipment and Tidal Tractor), funded largely by its new US$100M Sagard Credit Partners II term loan.

**2026 –** SanStone completed the acquisition of Tool Shed Sales and Rental, expanding the SanStone-anchored industrial services platform in Atlantic Canada.

## Financials

### *Balance Sheet*

As of Q2, SLT had $5.6M in cash and $56.3M in traditional debt, consisting of $49.3M of borrowings ($41.8M of which is under the term-loan facility and $6.1M is mortgages) and $6.9M of lease obligations. The term loan is a 5-year, non-revolving facility with Sagard Credit Partners II for up to $100M, available in two ~$50M tranches (only the first has been drawn). It matures in July 2030 and bears interest at SOFR plus 0.10% plus a 7.0% applicable margin (subject to a 3.0% floor). This translates to a net debt to EBITDA of 3.4x on 2026E EBITDA and 2.9x on 2027E EBITDA, normal levels for private equity-style acquisitions.

The Company also has $24.9M in "floor plan payable", a revolving financing facility on SanStone's inventory carrying varying interest rates and maturities. We do not consider this amount as debt as it is more similar to working capital, since it is linked to inventory.

In addition, SLT carries a $26.3M put-option liability tied to SanStone's 30% minority shareholders, who hold the right to require SLT to repurchase their stake, generally for cash, at a formula-based price. While not traditional debt, it is a contractual claim that ranks ahead of common equity, so for valuation purposes, we include it within debt, bringing the total to $82.6M.

### *Capital Structure*

As of May 13th, Saltire had 7.8M shares outstanding with 13.1M warrants outstanding. The warrants are largely out of the money, with the exercise prices being between $14.5/share and $20.8/share. As such, the capital structure is clean, and as mentioned above, the float is tight. On August 8th, the Company received notice that all SanStone minority shareholders intend to convert their SanStone shares into common shares on Saltire. The fair market value and number of shares will be later determined. As such, we still include the put option as debt, but will update as future announcements are made.

### *Financial Forecast*

As seen below, we forecast revenue and profitability for each of the two major segments, combining with the corporate segment to form our forward-looking estimates. For MDI, we are assuming 7% organic growth for the coming years and relatively stable margins. For SanStone, revenue ramps significantly since 2025 was a partial contribution and Tool Shed was added in 2026. We expect modest margin improvement for SanStone due to the factors mentioned above.

| Financial Estimates | 2025A | Q1/26A | Q2/26A | Q3/26E | Q4/26E | 2026E | Q1/27E | Q2/27E | Q3/27E | Q4/27E | 2027E | 2028E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **MDI Screen Systmens** | | | | | | | | | | | | |
| Screen System Revenues | 16.4 | 3.3 | 4.5 | 4.5 | 4.7 | 17.1 | 3.6 | 4.8 | 4.9 | 5.1 | 18.3 | 19.4 |
| Other Product Revenues | 2.8 | 0.7 | 0.9 | 0.9 | 0.8 | 3.3 | 0.7 | 0.9 | 0.9 | 0.9 | 3.5 | 3.7 |
| **SanStone Investments** | | | | | | | | | | | | |
| New & Used Equipment | 19.9 | 20.5 | 22.2 | 20.3 | 22.9 | 85.8 | 22.2 | 23.9 | 21.3 | 24.0 | 91.4 | 96.0 |
| Parts & Service | 9.0 | 4.5 | 6.8 | 7.6 | 5.0 | 23.9 | 4.9 | 7.3 | 8.0 | 5.2 | 25.5 | 26.7 |
| Rental Equipment & Other | 0.9 | 0.5 | 0.8 | 0.6 | 0.9 | 2.9 | 0.5 | 0.9 | 0.7 | 1.0 | 3.1 | 3.2 |
| **Revenue ($M)** | **49.1** | **29.6** | **35.1** | **34.0** | **34.3** | **133.0** | **31.9** | **37.9** | **35.8** | **36.1** | **141.7** | **145.8** |
| *% YoY* | *213%* | *581%* | *615%* | *74%* | *69%* | *171%* | *8%* | *8%* | *5%* | *5%* | *7%* | *3%* |
| MDI Gross Profit | 7.7 | 1.5 | 2.2 | 2.2 | 2.2 | 8.1 | 1.8 | 2.3 | 2.4 | 2.4 | 8.9 | 9.5 |
| *MDI Gross Margin* | *40%* | *37%* | *41%* | *40%* | *40%* | *40%* | *41%* | *41%* | *41%* | *41%* | *41%* | *41%* |
| *SanStone Gross Profit* | 7.2 | 5.4 | 6.6 | 7.1 | 7.2 | 26.4 | 6.9 | 8.0 | 7.5 | 7.5 | 30.0 | 32.7 |
| *SanStone Gross Margin* | *24%* | *21%* | *22%* | *25%* | *25%* | *23%* | *25%* | *25%* | *25%* | *25%* | *25%* | *26%* |
| **Gross Profit ($M)** | **15.0** | **6.9** | **8.8** | **9.3** | **9.4** | **34.4** | **8.7** | **10.3** | **9.9** | **10.0** | **38.9** | **42.2** |
| *Gross Margin* | *31%* | *23%* | *25%* | *27%* | *27%* | *26%* | *27%* | *27%* | *28%* | *28%* | *27%* | *29%* |
| Sales & Marketing | 1.2 | 0.4 | 0.5 | 0.6 | 0.6 | 2.0 | 0.5 | 0.6 | 0.6 | 0.6 | 2.2 | 2.4 |
| General & Administrative | 12.3 | 4.6 | 5.4 | 5.4 | 5.4 | 20.9 | 5.0 | 5.8 | 5.6 | 5.6 | 22.0 | 21.4 |
| Research & Development | 0.2 | 0.0 | 0.1 | 0.1 | 0.1 | 0.2 | 0.0 | 0.1 | 0.1 | 0.1 | 0.2 | 0.2 |
| **EBIT ($M)** | **1.2** | **1.9** | **2.8** | **3.3** | **3.4** | **11.3** | **3.1** | **3.9** | **3.7** | **3.7** | **14.4** | **18.1** |
| *EBIT Margin* | *2%* | *6%* | *8%* | *10%* | *10%* | *9%* | *10%* | *10%* | *10%* | *10%* | *10%* | *12%* |
| MDI EBIT | 4.2 | 0.6 | 1.2 | 1.2 | 1.3 | 4.3 | 0.8 | 1.1 | 1.2 | 1.2 | 4.3 | 4.6 |
| *MDI EBIT Margin* | *22%* | *15%* | *23%* | *22%* | *23%* | *21%* | *20%* | *20%* | *20%* | *20%* | *20%* | *20%* |
| SanStone EBIT | 1.5 | 2.0 | 2.5 | 3.0 | 3.0 | 10.6 | 3.2 | 3.7 | 3.5 | 3.5 | 13.9 | 16.4 |
| *SanStone EBIT Margin* | *5%* | *8%* | *8%* | *11%* | *11%* | *9%* | *12%* | *12%* | *12%* | *12%* | *12%* | *13%* |
| Corporate EBIT | (4.5) | (0.7) | (0.9) | (1.0) | (1.0) | (3.6) | (1.0) | (1.0) | (1.0) | (1.0) | (3.8) | (2.9) |
| MDI EBITDA | 4.5 | 0.8 | 1.4 | 1.4 | 1.5 | 5.0 | 1.0 | 1.3 | 1.3 | 1.4 | 5.0 | 5.3 |
| SanStone EBITDA | 2.6 | 2.5 | 3.0 | 3.6 | 3.6 | 12.7 | 3.7 | 4.3 | 4.0 | 4.0 | 16.0 | 18.5 |
| Corporate EBITDA | (4.5) | (0.7) | (0.9) | (1.0) | (1.0) | (3.6) | (1.0) | (1.0) | (1.0) | (1.0) | (3.8) | (2.9) |
| **Adj. EBITDA ($M)** | **3.9** | **2.9** | **3.8** | **4.0** | **4.1** | **14.8** | **3.8** | **4.6** | **4.4** | **4.5** | **17.3** | **21.0** |
| *EBITDA Margin* | *8%* | *10%* | *11%* | *12%* | *12%* | *11%* | *12%* | *12%* | *12%* | *12%* | *12%* | *14%* |
| Finance Expense ($M) | 3.8 | 2.0 | 2.1 | 2.1 | 2.1 | 8.2 | 2.1 | 2.1 | 2.1 | 2.0 | 8.2 | 7.4 |
| Net Income ($M) | (3.0) | 6.2 | 3.7 | 1.1 | 1.2 | 12.2 | 0.9 | 1.6 | 1.5 | 1.5 | 5.5 | 9.6 |
| Comprehensive Income ($M) | (2.5) | 5.3 | 2.6 | 1.1 | 1.2 | 10.1 | 0.9 | 1.6 | 1.5 | 1.5 | 5.5 | 9.6 |
| Capex ($M) | (0.3) | (0.2) | (0.5) | (0.2) | (0.2) | (1.1) | (0.2) | (0.2) | (0.2) | (0.2) | (0.8) | (0.8) |
| FCFF ($M) | 3.0 | 9.0 | (2.9) | 7.1 | 4.3 | 17.7 | 3.9 | (2.7) | 10.4 | 5.1 | 16.7 | 18.0 |

**Figure 26: Financial Forecast**

## Recent Announcements

On August 13th, Saltire reported Q2 financial results; for the six-month period, revenue rose to $64.7M from $9.3M in the prior-year period, with growth driven primarily by the acquisition of SanStone, which contributed $55.3M. Gross profit increased to $15.7M from $3.8M, and operating income improved to $4.7M from $1.2M, driven by increased platform scale. Net income was $10.0M against a loss of $11.4M in the prior-year period, and adjusted EBITDA increased to $6.7M from $1.0M. Saltire ended the period with $5.6M in cash and generated $2.8M in operating cash flow.

On June 1st, Saltire announced the successful closing of its previously announced agreement to purchase 100% of Tool Shed Sales and Rental Inc. through a wholly-owned subsidiary of SanStone Investments Ltd. The Company was purchased for C$2.8M by payment of cash and the issuance of an aggregate of 408,635 common shares for C$4.32/share.

On May 13th, the Company reported Q1 financial results; revenue grew sharply to $29.6M from $4.3M in the prior-year period, driven primarily by the SanStone acquisition, while MDI revenue was modestly lower on project timing and softer cinema and non-cinema sales volumes. Reported net income declined to $6.2M (-39% YoY), as this period had a smaller non-cash fair value gain. Adjusted EBITDA increased to $2.9M (+289% YoY) due to SanStone's contribution, and the Company generated positive operating cashflow of $7.3M, alongside strengthening its cash position to $11.9M.

On April 14th, MDI announced the extension of its supplier agreement with IMAX for a new five-year term. Under the new agreement, MDI will continue to manufacture screens engineered to meet IMAX's technical specifications through a product made exclusively for IMAX, supporting its locations worldwide and providing multi-year continuity for MDI's longstanding relationship with IMAX.

On April 10th, MDI announced its return to the name MDI from Strong MDI Screen Systems, accompanied by the launch of a new logo, visual system, and market-facing branding. The change reflects the company's commitment to honouring its heritage while positioning itself for continued growth across its end-markets.

On April 1st, Saltire reported financial results for FY25 ended December 31st. Revenue more than tripled YoY to $49.1M, driven by the acquisition and integration of SanStone, with MDI also contributing to growth on higher cinema-related revenue. Net loss narrowed to $3.0M from $47.4M due to the absence of a one-time listing expense of $44.6M, and adjusted EBITDA increased to $3.94M (+46% YoY) on improved underlying performance. The Company finished the year with total cash of $5.1M.

On February 19th, the Company announced the proposed acquisition of 100% of the voting common shares of Tool Shed Sales and Rental Inc., through a wholly-owned subsidiary. Tool Shed is a rental and sales business providing contractor supplies, pro-grade tools, and safety equipment in Nova Scotia. As originally announced, the acquisition was to be funded through a mix of cash, non-voting shares in the purchaser, and common shares of Saltire.

On November 19th, SLT announced the listing of its shares on the OTCQX Best Market under the ticker SLTEF. The listing was completed to broaden Saltire's visibility and accessibility among U.S. investors.

On November 17th, Saltire reported results for the third quarter and nine months (ended September 30th, 2025). Nine-month revenue rose to $28.8M (+144% YoY), driven by the addition of SanStone and a 16.4% increase in MDI cinema-related sales. The net loss narrowed to $3.2M from $42.9M, primarily reflecting the prior year's one-time $44.6M listing expense, while adjusted EBITDA declined to $1.6M from $2.8M on the non-recurrence of that listing-expense add-back. Saltire ended the quarter with $4.1M in cash, having drawn $50.1M of its $100M Sagard credit facility during the quarter to partly fund the SanStone acquisition.

## Industry Overview

### Cinema & Immersive Display (MDI)

***Cinema Exhibition & Box Office Resilience***

MDI sits at the supplier tier of the cinema-exhibition value chain, so although it does not participate in the box office directly, its demand is ultimately tied to it. While many assumed that streaming and the pandemic would erode the theatrical business, it has proven resilient. As the figure below shows, the domestic box office collapsed from $11.2B in 2019 to just $2.0B in 2020 as pandemic restrictions took hold. It has since climbed back to $8.9B in 2025, and Gower Street Analytics forecasts it will reach $9.75B in 2026, up ~10% YoY and the strongest year since the pandemic.

We believe that estimate may prove conservative, as 2026 is tracking well ahead of it. Through August, the domestic box office reached ~$7.25B, up 21% YoY. That was driven by a record $4.76B summer, the first ever to gross over $1B in every month from May through August, and the highest-grossing August on record. If the rest of the year merely matches 2025, the domestic box office would finish at roughly $10.1B, ahead of Gower Street's estimate and the first $10B year since 2019, before accounting for a holiday slate that includes Avengers: Doomsday and Dune: Part Three. AMC, Cinemark and Cineplex all reported record second-quarter revenue, including the highest quarterly revenue and Adjusted EBITDA in AMC's 106-year history and Cinemark's first-ever $1B quarter.

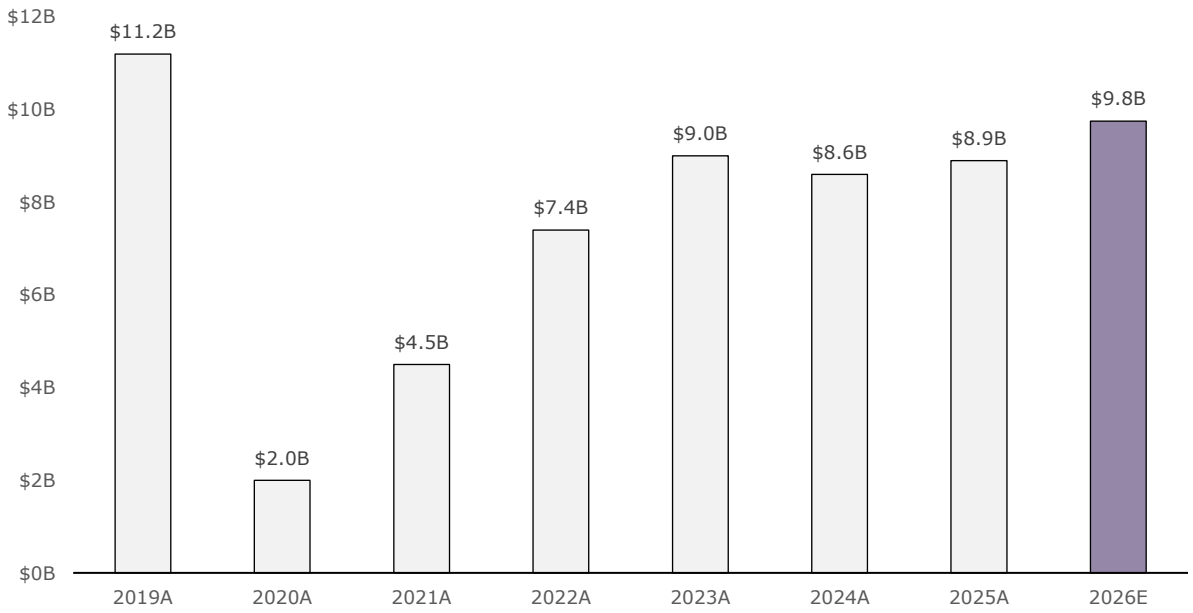



**Figure 27: U.S. Domestic Box Office, 2019A to 2026E (Source: Gower Street Analytics)**

Even from a conservative view, the cinema sector is a stable, slowly-growing core market rather than a growth engine, and the recovery to date has been driven more by pricing and premium formats than by attendance. That is why the screen-replacement dynamics of the laser-upgrade cycle and the faster-growing immersive segment (both covered below) matter more to MDI's demand story than box-office levels alone. However, with 2026 on track to be the strongest year since the pandemic and exhibitors reporting record profitability, the reinvestment that follows, in laser conversions and premium auditoriums where MDI's screens are specified, could arrive sooner than many expected.

***The Xenon-to-Laser Upgrade Cycle***

One of the most important drivers for MDI is not box-office growth but the technology transition underneath it. Cinemas are in the middle of a decade-long migration from xenon-lamp projection to laser, and because screens are typically replaced alongside a projector upgrade, that cycle pulls through direct demand for MDI's laser-ready surfaces. Operators are making the switch because laser systems consume up to ~70% less energy, eliminate the recurring cost of xenon-lamp replacements, and improve uptime, all while delivering a brighter, higher-quality image, and the economics have improved sharply as laser projector prices have fallen to roughly ~$40K from about ~$330K when the technology launched in 2014. Most of the major operators have committed to the change, with AMC targeting the conversion of ~3,500 U.S. auditoriums to laser by the end of this year (out of ~7,800), Regal committing to roughly 4,000 laser screens by 2030, and Cinemark and IMAX both adopting all-laser strategies.

Lamp-based units now account for less than 20% of new cinema projectors sold, yet only around 13% of the world's ~200K installed screens are laser-equipped today (per Screen Daily), meaning the vast majority of the base has yet to convert. That gap between what is being sold and what is already installed points to a long runway of replacement activity through the end of the decade (see Figure below). Even on a conservative path, and assuming no growth in the total screen base, lifting laser penetration to just 50% would imply ~75K additional screens converting by 2030. MDI is positioned squarely in front of that shift, supplying laser-ready surfaces to the very operators leading the transition, several of whom it serves on an exclusive basis, and maintaining a commercial relationship with Barco, one of the leading laser-projection providers.

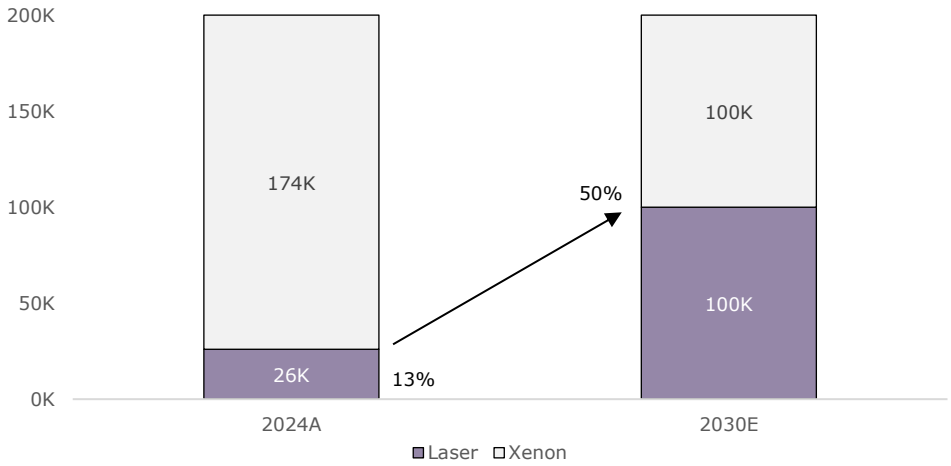



**Figure 28: Xenon-to-Laser Conversion Opportunity**
**(Source: Screen Daily, Atrium Estimates)**

In addition to the xenon-to-laser conversion, screens carry a typical replacement cycle of roughly ten years, which on its own generates a steady baseline of replacement volume across the global cinema footprint.

***Premium & Immersive Entertainment***

MDI's fastest-growing adjacency is the broader immersive and experiential-entertainment market, the category behind installations like the Sphere, the Illuminarium, and the touring Van Gogh exhibits, as well as theme-park dark rides, flying theatres, and simulators. The global immersive-entertainment market was valued at ~$133.6B in 2024 and is forecast to reach ~$473.9B by 2030, a ~23.5% CAGR, with the U.S. alone accounting for ~$35.1B of the 2024 base. Growth is being driven by rising demand for interactive, hyper-realistic experiences and the spread of immersive technology across gaming, live events, education, and retail, and the report specifically calls out immersive displays transforming audience engagement in theatres and theme parks, which is precisely MDI's lane.

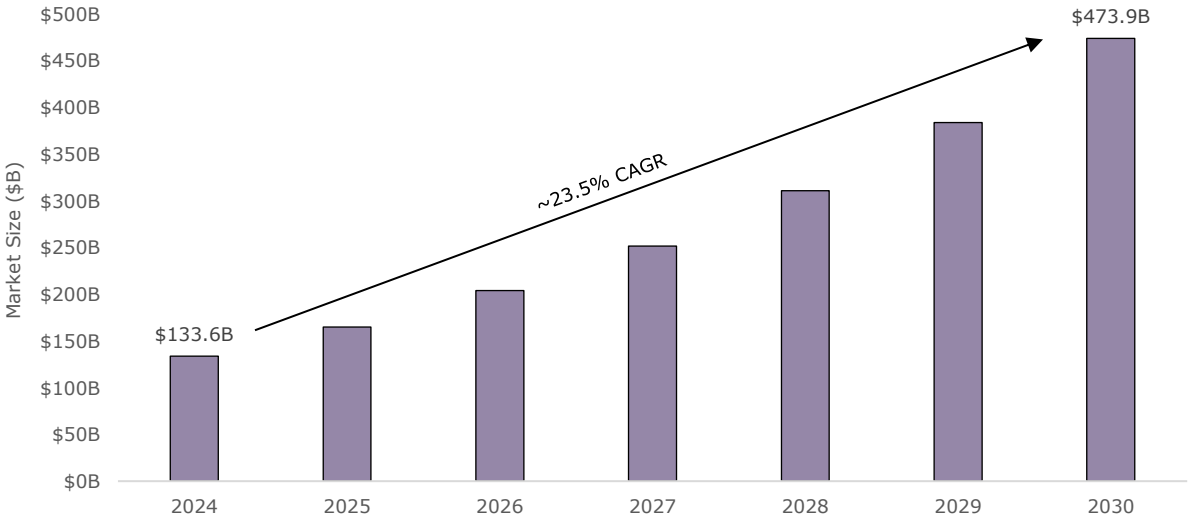



**Figure 29: Global Immersive Entertainment Market Including VR/AR/Gaming**
**(Source: Research and Markets)**

We note to readers that MDI does not address this whole segment, as the headline figure spans the entire immersive ecosystem, including VR and AR hardware and gaming (the largest segments, with players like Apple, Meta, and Sony). MDI's slice is narrower and consists of the physical equipment behind these experiences, such as the immersive screens, projection surfaces, optical coatings, and haptic flooring used in location-based attractions and experiential venues. Although not part of the main segment, the immersive theatre and live-venue displays segment is noted in the report as one of the fastest-growing.

### Equipment Distribution (SanStone)

***Atlantic-Canada Heavy & Agricultural Equipment Dealerships***

For readers unfamiliar with the dealership model, it differs from a typical storefront business in a few key ways:

1) Dealers hold exclusive OEM territory rights (e.g., a Lexus dealer holds the rights to sell Lexus in its territory).
2) Dealers carry inventory financed through floor-plan facilities.
3) Dealers earn thin margins on new unit sales, offset by higher-margin, recurring revenue from parts, service, and warranty work.

That aftermarket revenue is what anchors customer relationships and smooths out the cyclicality of unit sales, and the model works the same way whether the product is a car or an excavator. SanStone's Wilson and Tidal dealers sell into the heavy-equipment and agriculture sectors, where management estimates they hold a combined ~20% share of the Atlantic-Canada market, a position that likely exceeds any single competitor in the region, including national distributors such as Toromont (Caterpillar), Green Diamond (John Deere), Brandt, and Wajax.

The most interesting angle is how the dealer base is consolidating. According to Ag Equipment Intelligence's 2026 Big Dealer Report, the 100 largest equipment dealers in North America now control roughly one-third of all ag-equipment dealership locations and an estimated $48.4B in annual revenue, and the number of independent dealers has fallen every year since 2022 as larger groups absorb the smaller ones. The structural drivers behind that, aging owners, a lack of succession planning, and the rising capital required to run a modern dealership, keep pushing independent owners to sell. The same wave has already reshaped the automotive sector, where groups like Dilawri (Canada's largest, ~85 dealerships), Humberview, WEINS, and AWIN have rolled up individual dealers to the point that more than half of all new-vehicle sales in Canada now run through large automotive groups. Atlantic Canada remains a relatively fragmented regional pocket, exactly the kind of market where a well-capitalized consolidator like SanStone has a multi-year runway of tuck-in acquisition opportunities.

***Demand Drivers – Replacement Cycles, Infrastructure, & Defence***

While the underlying demand rests on recurring equipment-replacement and service cycles, which give the businesses a steady baseline, the more compelling near-term driver is the wave of public spending flowing into the region.

On the infrastructure side of things, Nova Scotia announced a Five-Year Highway Improvement Plan committing $465M in the coming year to highways, bridges, and twinning work (100 series Highways, plus the Seal Island Bridge), part of roughly $2.5B the province has invested across its five-year plans, all of which pulls through demand for the road-building and construction equipment Wilson sells. Beyond roads, three other megaproject themes that reinforce the construction/infrastructure development in the region are:

1) QEII Halifax Infirmary Expansion – ~$4.5B of construction (part of a $7.4B, 30-year contract)
2) Clean Energy Plans – 5 GW of offshore wind by 2030

Another major catalyst is defence playing into the construction theme. This year, Canada reached NATO's 2% of GDP spending target for the first time in roughly 35 years, backed by a federal commitment of more than $84B in additional defence spending over five years, and at the 2025 NATO summit it pledged to reach 5% of GDP by 2035. With that, Ottawa has earmarked more than $3B of new infrastructure investment for Atlantic Canada, with over $2B of it concentrated at CFB Halifax and 14 Wing Greenwood in Nova Scotia, while the Canadian Patrol Submarine Project is anchored on the East Coast. That spending is heavily construction- and earthmoving-intensive, and Nova Scotia is positioned to capture an outsized, per-capita share.

A final leg is the region's mining industry, supported by Nova Scotia's 2024 critical-minerals strategy, which listed 20 critical and four strategic minerals, including gold. Gold activity is picking back up, as the Touquoy mine was approved in April to process its remaining ore, and the broader Atlantic region gold asset base is seeing renewed interest, all of which feeds demand for the heavy machinery Wilson sells.

## Management & Board

**Andrew Clark – CEO**

Mr. Clark is a proven business leader, having served in senior roles at numerous publicly listed businesses. Most recently, Mr. Clark was a co-founder of Anthem Partners, which grew to one of the top ten businesses in the North American bereavement sector within three years, having 75 locations and more than 350 employees across North America. Prior to co-founding Anthem, Mr. Clark was Chairman and CEO of Park Lawn Corporation (PLC:TSX, acquired), following his joining as COO after leading a group of investors in acquiring ~15% of the company. Under his leadership, PLC grew from a market cap of ~C$30M to almost C$900M, for a total shareholder return of 337% and a ~25% CAGR in less than 7 years, while also completing over 25 acquisitions and investments. Prior to joining PLC, Mr. Clark founded a tourism and hospitality business, which grew to become a leader in its field with operations and staff in the UK, Canada, and the US. The company was ultimately merged with Canada's largest privately held travel company in 2008. Additionally, he has served as an advisor and director of numerous businesses, including Andlauer Healthcare Group (AND:TSX, acquired), ClearEstate Technologies, and Dominion City Brewing. Mr. Clark earned a Master's Degree from the University of St. Andrews in 2000 and a Bachelor's Degree from Mount Allison University in 1998. He holds 391.5K shares of SLT, representing ~5% ownership.

**Larry G. Swets Jr. – Executive Chairman**

Mr. Swets serves as Executive Chairman of Saltire Capital Ltd., a role he has held since the Company's launch in September 2024. Mr. Swets brings over 25 years of financial services experience across executive and non-executive roles. Since 2024, he has served as Head of Merchant Banking of Fundamental Global Inc. (FGF:NASDAQ), a diversified reinsurance, investment management, and real estate holding company. Additionally, he serves as CEO of FG Merger II Corp. and FG Merger III Corp., both of which are special purpose acquisition corporations, and is a director for GreenFirst Forest Products Inc. (GFP:TSX). In 2005, Mr. Swets founded Itasca Financial LLC, an advisory and investment firm where he remains a managing member, and in August 2018, he founded Itasca Golf Managers, a real estate and hospitality-focused management and advisory firm, where he serves as President. Mr. Swets holds a Master's Degree in Finance from DePaul University and a Bachelor's Degree from Valparaiso University, is a CFA charterholder, and is a member of the Young Presidents' Organization

**Imad Mushtaq – CFO**

Mr. Mushtaq has served as CFO of Saltire since November 2025, after previously being appointed as the Chief Accounting Officer in January 2025. He has supported the Company's financial reporting and operational growth, including the integration of SanStone Investments Limited in August 2025. He brings extensive experience in public-company reporting, financial oversight, and complex transaction support, with 15+ years in the audit and assurance industry across three countries. Mr. Mushtaq is a Chartered Professional Accountant with CPA Ontario, a Fellow Chartered Accountant with the ICAEW, and holds a Bachelor of Science in Accounting and Management from Aston University.

**Robert Clark – CIO**

Mr. R. Clark has served as CIO of Saltire Capital since the Company's launch in September 2024, bringing a wealth of expertise in the investment industry. Alongside Andrew Clark, he was also a co-founder of Anthem Partners, which, as previously mentioned, grew to one of the top ten businesses in the North American bereavement sector within three years. Prior to Anthem, he served as Vice President and Managing Director, Investments at Park Lawn Corporation (PLC:TSX), where he was responsible for managing more than $400M in pre-need and perpetual care trust funds and was charged with structuring an investment management platform to leverage the company's funeral trust fund assets. Before joining Park Lawn, he was Vice President, Investments at Bentall Kennedy (now BentallGreenOak), where he led internal and external transaction teams to source and execute investments and dispositions across client- and fund-specific strategies. Earlier in his career, Mr. R. Clark held progressively senior investment and development roles at several large Canadian institutional investors. He earned a Master's Degree from Cornell University in 2010 and a Bachelor's Degree from Dalhousie University in 2005. He holds 359.4K shares of SLT, for ~5% ownership of SLT.

## Risks

***Customer Concentration Risk – High***

MDI and SanStone have significant revenue concentration: major cinema clients (e.g., AMC, IMAX, Cinemark) for screens and one customer exceeding 25% of Wilson's revenue, plus reliance on OEM distribution agreements. Cinema upgrades and agricultural/heavy equipment demand are cyclical and sensitive to box office performance, weather, commodity prices, and macroeconomic factors, risking revenue volatility.

***Financial Risk – Average***

SLT has a heavy reliance on floor plan financing for inventory as well as its large term loan, exposing the Company to interest rate fluctuations and potential credit tightening. Rising rates increase financing costs, while any reduction in lender availability could constrain inventory levels and operations, directly impacting liquidity and margins in a narrow-margin equipment distribution business.

***Key Man Risk – Above Average***

Saltire relies heavily on Andrew Clark and Saltire Partners, Inc. (the Manager) under a Management Agreement for day-to-day operations, investment decisions, and executive services, with compensation tied to future milestones (e.g., 2% management fee post-$200M market cap). Any disruption in the Manager's performance, key executives, or termination of the agreement could materially impair the company's ability to execute its private equity strategy, integrate acquisitions and drive portfolio company growth. This key-person risk is heightened in a small public company structure with active ownership involvement.

***Stock Liquidity – Average***

As a small-cap stock, daily volume can make it difficult for investors to enter or exit positions without significant price impact, especially during periods of volatility or negative news. This illiquidity is compounded by the company's complex capital structure (warrants, put options, etc.), which may deter broader market participation.

## Appendix

| FD ITM Shares Calculation | |
|---|---|
| Basic Shares Outstanding | 7.8 |
| | |
| Dilutive ITM Shares | 0.0 |
| Proceeds | $0.0 |
| Repurchased Shares | 0.0 |
| Adj. Dilutive ITM Shares | 0.0 |
| **FD ITM Shares** | **7.8** |
| Full Diluted | 20.9 |

**Figure 30: FD ITM Shares Calculation (Treasury Stock Method)**

| | Exercise Price | Outstanding (M) |
|---|---|---|
| **Basic Shares Outstanding** | | **7.8** |
| | | |
| **Total Options** | | **0.0** |
| | | |
| **Warrants** | | |
| Sep-25-2029 | C$16.10 | 10.10 |
| Sep-25-2034 | C$21.00 | 1.50 |
| Dec-01-2030 | C$14.52 | 1.50 |
| **Total Warrants** | | **13.1** |

**Figure 31: Cap Table**

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**NOT RATED (N/R):** Atrium does not provide research coverage on the respective company.

| COVERED COMPANIES |
|---|
| 59 |

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