

ECU LINE CANADA INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2025
(UNAUDITED)

ECU LINE CANADA INC.
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DECEMBER 31, 2025

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Management of
ECU LINE CANADA INC.

I have reviewed the accompanying financial statements of **ECU LINE CANADA INC.**, that comprise the balance sheet as at December 31, 2025, and the statements of income and deficit and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of **ECU LINE CANADA INC.** as at December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

 ¹

Montréal, February 27, 2026

¹ By CPA auditor, public accountancy permit No. A111265

ECU LINE CANADA INC.**BALANCE SHEET****AS AT DECEMBER 31, 2025****(Unaudited)**

	2025	2024
ASSETS		
CURRENT ASSETS		
Cash	\$ 704,916	\$ 785,379
Accounts receivable (Note 3)	3,058,824	3,635,110
Deferred charges	361,320	417,869
	4,125,060	4,838,358
CAPITAL ASSETS (Note 4)	27,303	38,062
RENT DEPOSIT	-	13,349
	\$ 4,152,363	\$ 4,889,769
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable (Note 5)	\$ 4,320,918	\$ 5,106,617
Deferred revenue	429,476	291,066
Income taxes payable	17,810	24,476
	4,768,204	5,422,159
SHAREHOLDER'S DEFICIENCY		
CAPITAL STOCK (Note 6)	100	100
DEFICIT	(615,941)	(532,490)
	(615,841)	(532,390)
	\$ 4,152,363	\$ 4,889,769

Approved on behalf of the Board,*Elvio Lancione*

Signed on 2026-06-15 17:02:04 EDT

_____, Director

ECU LINE CANADA INC.**INCOME STATEMENT AND DEFICIT****YEAR ENDED DECEMBER 31, 2025****(Unaudited)**

	2025	2024
REVENUES		
Sales	\$ 40,339,369	\$ 39,061,029
COST OF SALES		
Transportation and freight	34,721,188	33,835,639
GROSS PROFIT	5,618,181	5,225,390
EXPENSES (Schedule A)	5,413,645	5,144,195
INCOME FROM OPERATIONS	204,536	81,195
OTHER REVENUES (EXPENSES) (Schedule B)	(225,352)	52,605
INCOME (LOSS) BEFORE INCOME TAXES	(20,816)	133,800
INCOME TAXES (Note 8)		
Current	62,635	24,476
NET INCOME (NET LOSS)	(83,451)	109,324
DEFICIT, BEGINNING OF YEAR	(532,490)	(641,814)
DEFICIT, END OF YEAR	\$ (615,941)	\$ (532,490)

ECU LINE CANADA INC.**STATEMENT OF CASH FLOWS****YEAR ENDED DECEMBER 31, 2025****(Unaudited)**

	2025	2024
OPERATING ACTIVITIES		
Net income (net loss)	\$ (83,451)	\$ 109,324
Non-cash items:		
Amortization of capital assets	10,759	14,655
Write off of rent deposit	13,349	-
	(59,343)	123,979
Net change in non-cash items related to operating activities (Note 7)	(21,120)	237,453
	(80,463)	361,432
INVESTING ACTIVITY		
Acquisition of capital assets	-	(2,234)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(80,463)	359,198
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	785,379	426,181
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 704,916	\$ 785,379

Cash and cash equivalents consist of cash.

1. INCORPORATION AND NATURE OF ACTIVITIES

The Company was incorporated on October 14, 1993 under the laws of the Province of Ontario. The Company is engaged in freight forwarding.

2. SIGNIFICANT ACCOUNTING POLICIES

The Company applies the Canadian accounting standards for private enterprises.

Cash and cash equivalents

The Company's policy is to present bank balances under cash and cash equivalents, including bank overdrafts when bank balances fluctuate frequently from being positive to overdrawn..

Capital assets

Capital assets are accounted for at cost. Amortization is calculated on their respective estimated useful life using the declining balance method at the following rates:

	Rates
Furniture and fixtures	20%
Computer equipment	30%

Income taxes

The Company uses the taxes payable method of accounting for income taxes. Under this method, the Company reports as an expense or as income of the period only the cost or benefit of current income taxes payable, determined in accordance with the rules established by taxation authorities.

Revenue recognition

Revenues are recognized when there is persuasive evidence that an arrangement exists, the price is fixed or determinable and collection is reasonably assured. Revenues from the sale of import and export services contracts are recognized when the goods have been received by the clients, i.e. the ownership is transferred to the clients.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Initial measurement

The Company initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Company is in the capacity of management, are initially measured at cost.

Subsequent measurement

The Company subsequently measures all its financial assets and liabilities at cost or amortized cost. Changes in fair value of these financial instruments are recognized in net income in the period incurred.

Financial assets measured at amortized cost using the straight-line method include cash, term deposits, trade and other receivables, except for accounts receivable from a company under common control, and notes receivable.

Accounts receivable from a company under common control and investments in preferred shares of a private company are recognized at cost.

Impairment and forgiveness

For financial assets measured at cost or amortized cost, the Company determines whether there are indications of possible impairment. When there are, and the Company determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in income.

When the Company forgives a related party financial asset, it first measures and recognizes any impairment as previously described. The impact of the forgiveness is then recognized in equity, when the transaction that resulted in the origination or acquisition of the financial asset was not in the normal course of operations, or in net income, when the transaction that resulted in the origination or acquisition was in the normal course of operations or when it is impracticable to determine whether the transaction was in the normal or not in the normal course of operations.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

(Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**Use of estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the amounts recognized as revenues and expenses for the periods covered. Actual results may differ from these estimates. The critical estimates relate to the provision for doubtful accounts, the net realizable value of inventory, the measurement of work in progress, the impairment of financial assets, the useful lives of property, plant and equipment and intangible assets subject to amortization, the likelihood of realizing future income tax assets and the measurement of investment tax credits.

Translation of foreign currency transactions and items

The Company uses the temporal method to translate its foreign currency transactions.

Monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Other assets and liabilities are translated at the exchange rate in effect at the transaction date. Revenues and expenses are translated at the historical rate, are translated at the exchange rate in effect at the transaction date. Exchange gains and losses are included in the Income Statement.

Related party transactions

Related party transactions are all presented separately in the financial statements and all took place in the normal course of operations. The revenues and expenses were measured at the exchange amount, which is the consideration established and agreed to by the related parties. The resulting accounts receivable and accounts payable were measured at cost, determined using their undiscounted cash flows. No difference arose from the transactions.

3. ACCOUNTS RECEIVABLE

	2025	2024
Accounts receivable	\$ 1,665,341	\$ 2,058,570
Accounts receivable from an affiliated companies	1,393,772	1,576,244
	3,059,113	3,634,814
Other receivables		
Government taxes receivable	(289)	296
	\$ 3,058,824	\$ 3,635,110

ECU LINE CANADA INC.**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2025****(Unaudited)****4. CAPITAL ASSETS**

	2025		2024	
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	\$ 14,338	\$ 9,058	\$ 5,280	\$ 6,600
Computer equipment	79,153	57,130	22,023	31,462
	\$ 93,491	\$ 66,188	\$ 27,303	\$ 38,062

5. ACCOUNTS PAYABLE

	2025	2024
Accounts payable	\$ 2,252,325	\$ 1,234,689
Accrued liabilities	960,306	1,809,721
Salaries payable	108,284	198,378
Accounts payable to an affiliated party	1,000,003	1,863,829
	\$ 4,320,918	\$ 5,106,617

6. CAPITAL STOCK

Information on the issued share capital, authorized without limit as to number and without par value:

100 8% non-cumulative voting class A preference shares

Unlimited number of non-voting, participating Class B preference shares

	2025	2024
100 Class A Preference Shares	\$ 50	\$ 50
100 Class B Preference Shares	50	50
	\$ 100	\$ 100

ECU LINE CANADA INC.**NOTES TO FINANCIAL STATEMENTS****DECEMBER 31, 2025****(Unaudited)**

7. NET CHANGE IN NON-CASH ITEMS RELATED TO OPERATING ACTIVITIES

	2025	2024
Accounts receivable	\$ 576,286	\$ (528,030)
Deferred charges	56,549	(165,497)
Accounts payable	(785,699)	308,904
Deferred revenue	138,410	(25,366)
Income taxes payable	(6,666)	647,442
	\$ (21,120)	\$ 237,453

8. TAXES PAYABLE METHOD – RECONCILIATION OF AMOUNTS

The Company accounts for income taxes using the taxes payable method. As a result, the Company's income tax benefit varies from the amount that would otherwise result from the application of the statutory income tax rates as set out below.

	2025	2024
Expected income tax benefit at the combined rate of 26.6 % (26.5% - 2025)	\$ (5,547)	\$ 35,543
Increase (decrease) in income tax benefit resulting from:		
Unrealized loss (gain) on foreign currency translation	41,934	(15,108)
Excess of depreciation over capital cost allowance	1,802	1,744
Non-deductible meals and entertainment expense	4,101	2,297
Prior year adjustments	20,345	-
Income tax (recovered) expense	\$ 62,635	\$ 24,476

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

(Unaudited)

9. RELATED PARTY TRANSACTIONS

The following table summarizes the Company's related party transactions for the year:

	2025	2024
Income		
Intercompany sales with worldwide affiliated companies	\$ 11,957,761	\$ 10,099,010
Expenses		
Management fees paid to parent company, Ecuhold N.V.	\$ 966,073	\$ 750,902

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

10. COMMITMENTS

The commitments of the Company under lease agreements aggregates to \$3,323. The instalments over the next year are the following:

2026	\$ 3,323
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11. LOSS CARRYFORWARDS

No future income tax asset regarding these tax losses has been accounted for in the financial statements.

12. FINANCIAL INSTRUMENTS

Credit risk

Credit risk is the risk that one party to a financial asset will cause a financial loss for the Company by failing to discharge an obligation. The Company's credit risk is mainly related to accounts receivable..

The Company provides credit to its clients in the normal course of its operations. It carries out, on a continuing basis, credit checks on its clients and maintains provisions for contingent credit losses which, once they materialize, are consistent with management's forecasts. The Company does not normally require a guarantee.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company is exposed to this risk mainly in respect of its long-term debt and accounts payable.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company realizes sales and purchases in foreign currency. Consequently, some assets and liabilities are exposed to foreign exchange fluctuations. As at December 31, 2025, assets and liabilities denominated in foreign exchange and converted into Canadian dollars are the following:

	American dollars \$	Euros €
Cash	224,028	-
Accounts receivable	2,068,666	404
Accounts payable	460,471	193,366

ECU LINE CANADA INC.**ADDITIONAL INFORMATION****YEAR ENDED DECEMBER 31, 2025****(Unaudited)**

	2025	2024
SCHEDULE A - EXPENSES		
Salaries and fringe benefits	\$ 3,290,403	\$ 3,278,847
Management fees	966,073	750,902
Insurance and protection	75,876	77,608
Rent	96,366	111,381
Outsourcing fees	460,334	482,549
Information technology fees	140,317	136,665
Travel	154,001	94,716
Automotive	22,687	23,702
Taxes and licenses	11,013	6,946
Office and general	17,536	5,759
Telephone	43,456	38,940
Professional fees	28,285	33,494
Repairs and maintenance	8,156	10,461
Advertising and promotion	41,906	31,330
Meals and entertainment	30,839	17,333
Bad debt (recovery)	(3,988)	(13,174)
Courier charges	38	64
Bank fees and short-term interest	19,589	42,017
Amortization	10,758	14,655
	\$ 5,413,645	\$ 5,144,195

SCHEDULE B - OTHER REVENUES (EXPENSES)

(Loss) Gain on foreign exchange	\$ (225,352)	\$ 52,605
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