



Interim Management's Discussion and Analysis

Quarterly Highlights

For the period ended March 31, 2026

Dated: May 26, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our Management's Discussion and Analysis ("**MD&A**") assesses the results of operations and financial condition of The Western Investment Company of Canada Limited ("**we**", "**our**", "**Western**," or the "**Corporation**") for the three months ended **March 31, 2026**. This MD&A should be read in conjunction with the unaudited Condensed Interim Financial Statements for the period ended March 31, 2026, the audited Consolidated Financial Statements for the year ended December 31, 2025, and the annual Management's Discussion and Analysis dated March 31, 2026. Unless indicated otherwise, references in this MD&A to the "Corporation" refer to Western and references to "us", "we" or "our" refer to the Corporation and its subsidiaries and consolidated entities. The Corporation's consolidated Financial Statements are in Canadian dollars and are prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board. In this MD&A, all references to "\$" are to Canadian dollars unless otherwise specified. This MD&A is dated **May 26, 2026**. Additional information is available at www.sedarplus.ca.

Management is responsible for the accuracy and timeliness of the disclosures included herein, and the supporting controls, processes, and systems. This document has been reviewed by the Corporation's Audit Committee and approved by its Board of Directors.

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Introduction

Western is an insurance and investments holding company focused on decentralized ownership of insurance businesses and centralized investment management. Western is a publicly traded company on the TSX Venture Exchange under the symbol "WI".

This MD&A provides an update on the Corporation's business activities, financial condition, financial performance and cash flows for the three months ended March 31, 2026. Additional information relating to the Corporation's businesses and investments is provided in the annual MD&A for the year ended December 31, 2025.

As at March 31, 2026, Western's principal investments included:

Fortress Insurance Company

Western wholly owns Fortress Insurance Company ("**Fortress**"), a federally regulated Canadian property and casualty insurer offering a broad range of insurance products. The carrying value of the investment as at March 31, 2026 was \$20.5 million.

Foothills Creamery Ltd.

Western holds a 49% interest in Foothills Creamery Ltd. ("**Foothills**"), a western Canadian producer and distributor of butter and ice cream products. The carrying value of the investment as at March 31, 2026 was \$2.2 million.

Golden Health Care

Western holds interests in three Saskatchewan senior care homes and in Golden Health Care Management Inc. (collectively, "**Golden**"), a Saskatchewan-based senior care operator and management company. The carrying value of the investment as at March 31, 2026 was \$4.7 million.

The following table outlines Western's investment interests as at March 31, 2026:

Investment	Percentage Owned
Fortress	100% ¹
Foothills	49%
Golden	25.0-30.0%

¹ This investment is eliminated on consolidation.

Investment sold during the period

GlassMasters ARG Autoglass Two Inc.

Western held a 55% interest in GlassMasters ARG Autoglass Two Inc. ("**GlassMasters**"), an automotive glass repair, replacement and wholesale distribution business operating in Western Canada. During the quarter, Western sold its investment in GlassMasters, including common shares and a promissory note, for gross proceeds of \$24.8 million (net proceeds of \$23.3 million).

Key Highlights for the Period Ended March 31, 2026

The first quarter of 2026 was a profitable quarter for Western. Headlined by the successful sale of our investment in GlassMasters for substantial gain relative to its book value and profitable results from Fortress.

The sale of GlassMasters resulted in a gain of \$14.4 million and generated net proceeds of \$23.3 million.

Management remains focused on identifying and investing in high-quality, entrepreneurial insurance businesses aligned with Western's long-term strategy. The Corporation is actively progressing a robust pipeline of potential acquisition and partnership opportunities.

Gross Written Premiums ("**GWP**") at Fortress ended on \$11.0 million in the first quarter of 2026 compared to \$13.3 million in the same period in 2025. GWP is a non-GAAP measure defined as total premiums written during the period, including amounts written under fronting arrangements. Insurance revenue of \$8.7 million for the first quarter was an increase of 33% versus the comparative period in 2025. Overall, Fortress contributed Total Comprehensive Income of \$254,000 in the quarter versus a loss of \$48,000 in the first quarter of 2025.

Fortress' stated objective is to expand the business to approximately \$100 million of GWP by 2028. As such, Fortress continues to pursue diversification through the expansion of its product offerings by increasing its presence in the overall Canadian market. Additional details regarding Fortress' performance and operations are provided below.

Foothills continues to focus on improving profitability while maintaining steady revenue growth in profitable products. Revenue for the first quarter in 2026 decreased by 14% to \$6.0 million, compared to \$7.0 million over the same period in 2025. The main reason for the year-on-year decrease in revenue is attributed to lower butter sales which were expected to decrease, while ice cream sales remained a key driver of performance, with a year over year increase of 7% (the majority of Foothills' annual revenue is typically generated during the summer months).

Gross profit margin improved to 32.1%, representing an increase of 9.9 percentage points compared to the prior year driven mainly by the strategic shift towards increasing ice cream sales which generates a higher profit margin and a new cream supplier. As a result, Foothills reported a net loss of \$0.3 million for the quarter ending March 31, 2026, compared to a net loss of \$0.5 million for the comparative quarter in 2025.

Golden has maintained a high level of occupancy at the homes Western has an interest in, which together with rate increases has led to improved profitability. Revenue for the first quarter in 2026 ended on \$2.9 million, a 7% increase over the same period in 2025.

Net Income for the first quarter was \$0.5 million up from \$0.3 million in the comparative period in 2025.

GlassMasters was sold on February 2, 2026 and the first quarter includes their results up to that point. During this period, revenue was \$3.4 million and gross profit was \$1.1 million. Expenses were higher than the prior year as they included accrued bonuses to management in relation to the closing of the sale transaction, leading to a net loss of \$2.3 million.

Review of Western's Operations and Financial Results

	Three months ended March 31,	
Financial results (\$'000)	2026	2025
As reported		
Insurance service result		
Insurance revenue	9,308	8,212
Insurance service expenses	(9,408)	(6,573)
Net expenses from reinsurance contracts held	469	(1,319)
Total insurance service result	369	320
Net investment income	342	130
Net insurance financial expense	36	65
Other Operating and Administrative Expenses		
Professional and consulting fees	486	544
Payroll and Share-based compensation	930	667
Interest expense	16	154
Other expenses	220	139
Total other operating and administrative expenses	1,652	1,504
Other income (expense)		
Income from equity investments	(1,260)	(303)
Finance income	332	366
Other	161	55
Gain on sale of equity investment and Note Receivable	14,354	-
Total other income	13,587	117
Income (loss) before income taxes	12,609	(1,002)
Net Income (Loss)	12,518	(999)
Net income (loss) per common share, basic	0.079	(0.007)
Net income (loss) per common share, diluted	0.053	(0.007)

Consolidated Results

The quarter was highlighted by the sale of the investment in GlassMasters which generated a gain of \$14.4 million.

GWP was \$11.0 million for the quarter compared with \$13.3 million in the first quarter of 2025. The decrease in GWP was mainly as a result of the soft market conditions whereby policy retention declined as larger competitors offered lower rates. Insurance revenue, continued to increase and reached \$9.3 million compared to \$8.2 million in the first quarter of 2025, primarily as a result the earning pattern of our long-tailed product lines (refer to the Fortress section).

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The insurance service result was \$0.4 million for the first quarter of 2026 in comparison to \$0.3 million in 2025.

Operating and administrative expenses were \$1.7 million compared with \$1.5 million at the end of the first quarter in 2025, driven by increased payroll expenses following the appointment of key members of the Western executive team through the second half of 2025.

Interest expense was significantly lower than the prior period as substantially all group debt was repaid in 2025, with the exception of a shareholder loan from Golden.

Income from equity investments resulted in a loss of \$1.3 million compared to a loss of \$0.3 million in the same quarter in 2025, primarily driven by management bonuses incurred by GlassMasters as part of the sale transaction.

Finance Income remained broadly in line with the prior year.

In the first quarter of 2026, an additional 1,472,291 common shares were issued (refer to Outstanding Share Data).

IFRS 17 Consolidation Adjustments

Upon consolidation of Fortress, adjustments are required to align Fortress' insurance and reinsurance contract balances with the Corporation's consolidated accounting policies under IFRS 17 Insurance Contracts.

These adjustments affect the measurement of insurance contract liabilities and reinsurance recoverables and therefore impact both the consolidated balance sheet and consolidated statement of income. As a result, the consolidated financial results presented by the Corporation will not directly reconcile to the standalone financial results reported by Fortress.

For the quarter ended March 31, 2026, these IFRS 17 consolidation adjustments resulted in a \$14,000 gain recognized in the consolidated statement of income (2025 – \$38,000). Additional details regarding these adjustments are provided in *Appendix A*.

Financial Position

Financial position (\$'000) at March 31,	2026	2025
Cash	85,318	55,785
Investments	25	5,937
Reinsurance Assets	47,619	43,516
Fronting contract assets	3,380	3,219
Investment in Associates	6,916	17,068
Goodwill	7,694	7,694
Other assets	4,461	5,201
Total assets	155,414	138,420
Insurance contract liabilities	61,105	56,959
Fronting contract liabilities	4,067	3,982
Debentures/ loan	900	900
Collateral held	6,131	6,131
Other liabilities	5,360	5,138
Total liabilities	77,564	73,110
Shareholders' equity	77,850	65,310
Total liabilities & shareholder's equity	155,414	138,420

Share count information

Common shares issued and outstanding (Millions)	160	158
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Cash remained in a strong position at end of the quarter, with \$50.5 million held at Western and \$34.8 million at Fortress. The cash balance provides strong liquidity and is also subject to attractive interest rates, while avoiding the volatility in the broader markets.

Investments are held at a Fortress level and have decreased since the beginning of the year due to monetizing of the bond portfolio into cash during Q1/26.

Investments in associates decreased mainly as a result of the sale of GlassMasters which had a book value of \$8.9 million at the time of sale.

Reinsurance assets and insurance contract liabilities increased as Fortress continued to grow in line with increased insurance revenue.

Shareholder equity increased by \$12.5 million primarily as a result of the \$14.4 million gain from the sale of GlassMasters, income before tax from Fortress of \$0.3 million and losses from equity investments of \$1.3 million.

Fortress Results and Financial Overview

Fortress is a Canadian-licensed insurer focused on specialty and surplus lines within the Canadian insurance market. While its principal line of business is property insurance, the company also writes a range of niche products, including accident and sickness, liability, boiler and machinery, marine, fidelity, legal expense, and surety. Fortress is licensed across Canada, with the exception of Quebec.

Amid a challenging soft market environment, management has focused on diversifying the product portfolio, and focusing on key-account retention, actively managing underwriting performance, and pursuing disciplined growth. These efforts have been supported by strengthening relationships with existing broker and Managing General Agents (“MGA”) partners, including exploring additional classes where underwriting capacity may be required. In parallel, the company continuously seeks to develop new strategic partnerships to expand scale and position the company to capitalize on opportunities when market conditions strengthen.

Key Highlights for the first quarter ending March 31:

- GWP was \$11.0 million compared with \$13.3 million in the first quarter of 2025.
- Insurance revenue was \$8.7 million increasing by 33% over \$6.6 million achieved in the prior year comparative.
- Fortress' total investment portfolio, including cash and cash equivalents, grew by 3% to \$34.8 million compared to \$33.7 million at December 31, 2025.

Financial highlights for Fortress (stand-alone) are presented below:

	Three months ended	
	March 31,	
Financial results (\$'000)	2026	2025
Gross written premium ¹	10,993	13,329
Insurance revenue	8,747	6,576
Total insurance service result	345	191
Net Investment income	342	130
Total comprehensive income (loss)	254	(48)
Balance sheet		
Total assets	86,558	48,688
Total liabilities	76,335	38,630
Total Shareholder's equity	10,222	10,058

¹ Non-GAAP measure – total gross insurance premiums written during the period defined as all premiums written during the year, including both earned and unearned auto insurance premiums, and fronting fees earned.

Note: The above table reflects stand-alone Fortress results, excluding consolidation adjustments for the Corporation.

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GWP is recognized as revenue over the policy term based on the distribution of risk, which may be earned evenly over time if the risk is consistent over the cover period, or may be earned differently if the risk is distributed differently throughout the coverage period. The latter is specific to the multi-year business Fortress writes, particularly the specialty vehicle replacement product, and it is the earning of this premium that drove the increase in insurance revenue.

The long-term policies written under the specialty program generate end-tailed profit which means that the profit thereon will increase gradually over their term. The future profitability is recorded in the balance sheet in the Liability and Asset for Remaining Coverage (LRC & ARC) and called the “contractual service margin” (CSM).

A breakdown of the future earning pattern of the CSM (net of reinsurance) by financial year end is shown below.

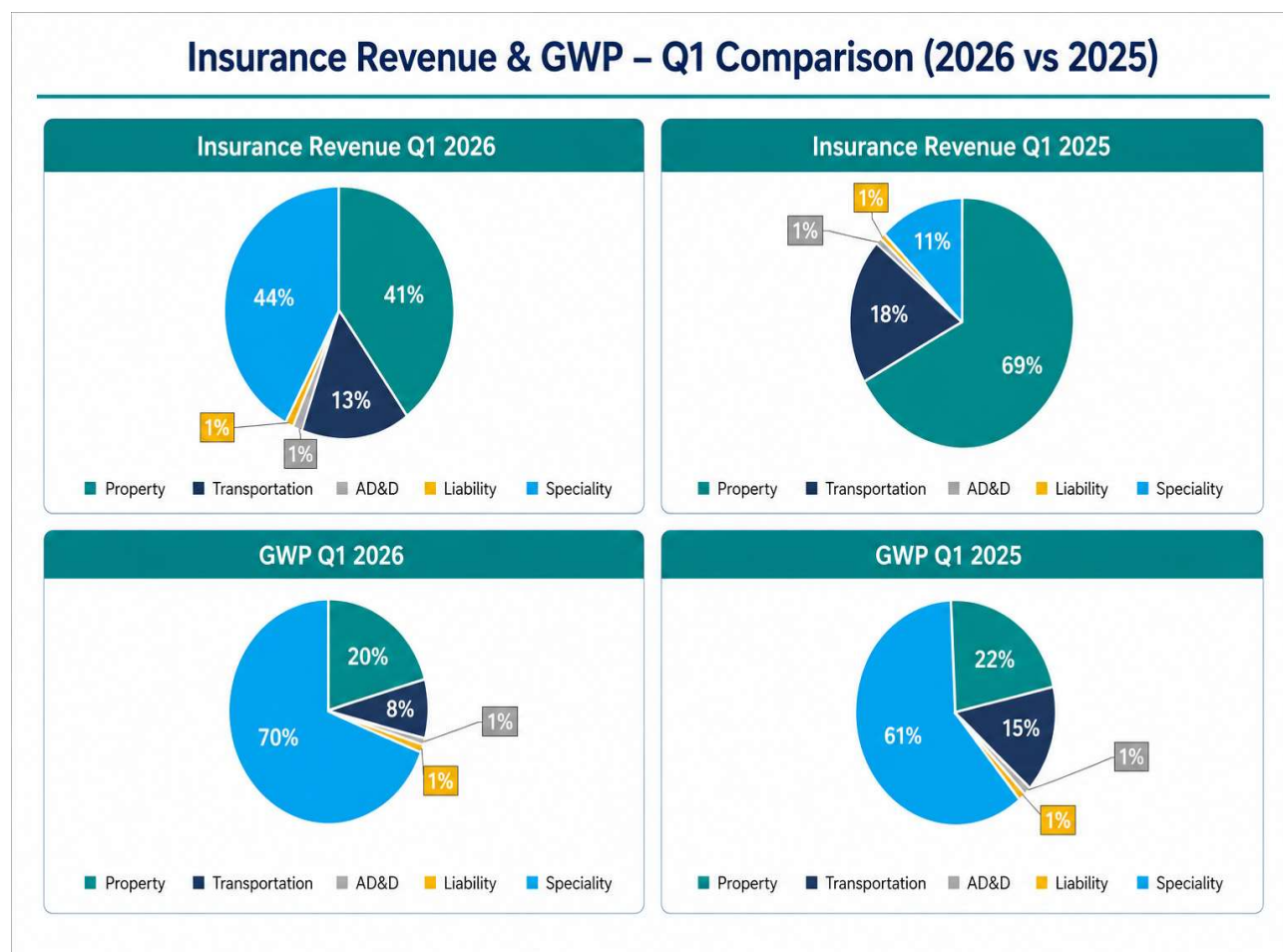
Earning year	Q1 2026 \$'000	2025 Year end \$'000	Movement \$'000
2026	542	497	45
2027	677	602	76
2028	748	657	91
2029	696	593	103
2030 and beyond	403	276	128
TOTAL Net CSM	3,068	2,624	443

Note: The above table reflects stand-alone Fortress results, excluding consolidation adjustments for the Corporation.

The Canadian insurance industry continued to experience ‘soft market’ conditions in the first quarter of 2026, consistent with the prior year. Additional capital, driven by global investors seeking the relative stability of the Canadian market—combined with increasingly sophisticated risk segmentation and modelling tools, has heightened competition. As a result, market capacity remained abundant and rates remained at low levels, consistent with prior periods.

Despite these headwinds, management remains focused on disciplined underwriting, diversifying the portfolio by geography and product segment, and supporting broker relationships to retain GWP. Additionally, Fortress management is exploring niche product opportunities with existing broker partners to identify areas of growth.

A comparison of GWP and insurance revenue for the first quarter of 2026 and the prior year comparative illustrates changes in the composition of written premiums and their subsequent recognition as insurance revenue is shown below.



Note: The above table reflects stand-alone Fortress results, excluding consolidation adjustments for the Corporation.

The graphs above illustrate specifically the long-tail nature of the specialty line, and how its proportion of insurance revenue relative to its proportion of GWP increases as the products earn out over the years.

Fortress continues to increase capacity across all product lines, and expects continued growth in written premiums through product diversification and geographic expansion. Fortress also plans to strengthen its portfolio by obtaining a Quebec license and an Ontario auto insurance license. However, in the first quarter, its current book of large programs underperformed due to flat new business growth and the soft market environment.

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The table below shows key metrics for the quarter.

Key metrics ¹	Three months ended March 31,	
	2026	2025
Loss Ratio	47.6%	53.0%
Expense ratio	38.5%	58.7% ²
Combined ratio ³	86.1%	111.7%

¹ Supplementary measures – see definitions below for description of items making up these metrics.

² The 2025 comparative expense ratio was normalized to exclude expenses related to Western's acquisition of Fortress (the "acquisition"), as well as costs related to amending an existing employee share ownership plan to a cash-settled basis following the acquisition.

³ The combined ratio includes an allocation of investment income earned on funds held associated with structured insurance arrangements, based on the level of working capital deployed. The combined ratio is also presented net of insurance finance expense in order to reflect management's view of the underlying operating performance of the insurance operations.

The loss ratio for the first quarter in 2026, comprised of incurred losses and including incurred but not reported claims was 47.6% (2025 – 53.0%).

As mentioned earlier, for our multi-year specialty product, the potential for claims is higher in later years, as a result more insurance revenue is recognized in later periods. This alignment of exposure and premium recognition helps support more stable profitability over the term of the policies.

The expense ratio improved from the prior year mainly due to disciplined cost management and increased premium volume, which allowed Fortress to spread fixed operating costs over a larger revenue base.

Fortress' Minimum Capital Test ("MCT") at the end of the first quarter in 2026 was ~368%, reflecting that the business remains well capitalized and in excess of regulatory requirements.

Investment Performance Review

The investment philosophy is centered on the prudent allocation of capital across all portfolio investments to achieve stable and long-term total returns, while supporting liabilities and maintaining strong regulatory and economic capital levels. In addition, the corporation aims to reduce reliance on external investment managers and limit external investment management fees and has engaged Tevir Capital, a related party with extensive investment management experience, to act as the portfolio manager for Fortress. Tevir Capital has waived management fees for managing Fortress' investments in 2025 and 2026.

As at the end of Q1/26, due to the volatility observed in global markets Fortress monetized virtually all investments, converting them into cash on its balance sheet with the aim to deploy the capital at the appropriate time and in line with the investment philosophy.

Summary of Cash and Investments

As at the end of Q1/26, Fortress' \$34.8M investment portfolio consisted mainly of cash and cash equivalents, with only \$25,000 invested in a Guaranteed Investment Certificate.

Net Investment Income

	Three months ended	
	March 31,	
Financial results (\$'000)	2026	2025
Net Investment income	206	173
Net realized gains (losses)	136	35
Changes in fair value	-	(78)
Net Investment Result	342	130

Net investment income for the quarter increased relative to the respective prior period reflecting the gain of monetizing the investments as well as increased return due to the growth in the investment portfolio which increased to \$34.8 million compared to \$24.4 million at the end of Q1/25.

2026 Insurance Industry Outlook

In 2026, Fortress will continue to prioritize diversification across both product lines and geographic regions to mitigate concentration and catastrophe (“**CAT**”) risk. The Canadian property and casualty (“**P&C**”) insurance market is expected to remain competitive through the remainder of 2026, although market conditions are anticipated to be more balanced than in recent years. Commercial lines pricing is generally expected to stabilize, with continued competition in well-performing classes supported by adequate industry capital and available reinsurance capacity, while certain loss-affected or CAT-exposed segments may continue to experience targeted rate firming and tighter underwriting conditions.

Macroeconomic uncertainty, including slower economic growth, elevated inflation, labour cost pressures, supply chain disruption, and the impact of tariffs and trade-related measures, may continue to influence insurance demand and contribute to higher claims severity, particularly in property, construction, and automobile-related lines. In addition, increasing frequency and severity of weather-related catastrophe events across Canada continue to place pressure on claims costs, reinsurance pricing, and underwriting performance across the industry.

To navigate these conditions, Fortress is executing a balanced diversification strategy focused on business segments with sufficient scale, underwriting discipline, and revenue potential to support long-term profitability and resilience. Growth opportunities will continue to be pursued through existing relationships with key broker partners, including within the specialty insurance market and through MGAs.

Specialty insurance encompasses products and services typically not offered by standard insurers, often requiring specialized underwriting expertise and advanced actuarial and financial analysis. These niche segments are predominantly commercial in nature and involve more complex risks with fewer market participants. While the broader P&C market remains diversified

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across personal and commercial lines, specialty insurers maintain differentiated portfolios that are less correlated to standard market offerings and may provide attractive underwriting opportunities.

MGAs continue to play an increasingly important role in the distribution and administration of insurance products in Canada, with growth outpacing the broader market. This expansion has been supported by continued interest from capital providers, evolving distribution models, increased use of delegated underwriting authority, advances in data and analytics capabilities, and demand for specialized underwriting expertise. MGAs therefore provide carriers like Fortress with a scalable and efficient channel to access specialized commercial risks and underserved market segments while maintaining underwriting flexibility and capital efficiency.

Operating Metrics	Definition
Combined Ratio	Measures an insurer's profitability by comparing claims and expenses to earned premiums; it is calculated as (Incurred Losses + Expenses) / Earned Premiums. A ratio below 100% indicates underwriting profit, while a ratio above 100% signals an underwriting loss.
Expense Ratio	Expense ratio is the percentage of an insurer's earned premium that is used to cover operating expenses such as underwriting, commissions, and administrative costs. It reflects how efficiently the insurer manages its business operations relative to the premiums it earns.
GWP - Gross Written Premiums	Gross Written Premium (" GWP ") refers to the total premium an insurance company writes during a specific period before deductions for reinsurance and cancellations. It represents an internal metric for management to measure top-line revenue from all policies issued, providing a key measure of an insurer's business volume.
Loss Ratio	Loss ratio is a key insurance metric that compares total claims paid and reserved to the premiums earned over a specific period. It indicates how efficiently an insurer is underwriting risk – lower ratios suggest better profitability, while higher ratios may signal underwriting or pricing issues.
MCT – Minimum Capital Test	The Minimum Capital Test (" MCT ") is a regulatory measure used in Canada to assess the financial strength and solvency of an insurer. It compares its available capital to its required capital, with a higher ratio indicating a stronger ability to meet obligations and absorb losses.

Summary of Equity Investments

Below is a summary of the results of each of Western's Associates for the first quarter ending March 31, 2026. The performance of our Associates is assessed based on revenues, net income from operations, and Earnings Before Interest Tax Depreciation and Amortization ("**EBITDA**"). EBITDA is a supplemental measure of operating income in which tax, depreciation and amortization, and interest are added back to the associate's net income (refer to the "Description of Non-IFRS Measures" section below for more information).

Foothills

Western holds a 49% interest in Foothills Creamery Ltd. ("**Foothills**"), a western Canadian producer and distributor of butter and ice cream products.

Foothills reported revenue of \$6.0 million for the first quarter of 2026 compared to \$7.0 million in the prior year period. Gross profit increased to \$2.0 million from \$1.6 million, while EBITDA improved to \$0.5 million from \$0.2 million in the comparative quarter, primarily reflecting an improved sales mix toward higher-margin ice cream products and lower input costs.

For the three months ended March 31, 2026, Western recorded an equity loss from Foothills of \$126,000 compared to \$279,000 in the comparative period of 2025. Western also earned management fee income of \$18,750 and interest income of \$42,700 on its shareholder loan to Foothills during the quarter.

Financial highlights for Foothills (at 100%) are presented below:

Financial results (\$'000)	Three months ended March 31,	
	2026	2025
Revenue	6,020	7,001
Gross profit	1,950	1,577
Net income	(259)	(541)
Interest	441	428
Amortization and depreciation	387	397
Tax	(77)	(78)
EBITDA¹	492	206

¹ EBITDA is a Non-GAAP measure that management uses to assess performance. The reconciliation above ties to the audited financial statements of the company.

Foothills continues to focus on expanding its retail distribution network and product offerings while actively managing liquidity and covenant compliance under its lending arrangements. As at March 31, 2026, Foothills remained in compliance with its financial covenants.

Foothills continues to operate with a leveraged capital structure, including approximately \$2.3 million of annual debt servicing requirements. Western has previously provided shareholder support through additional advances under a shareholder support arrangement intended to assist with covenant compliance. Western also holds a shareholder loan bearing interest at 13% per annum, with accrued interest capitalized to the principal balance. The loan maturity has been extended to June 30, 2026 and includes an option for Western to convert the outstanding balance into common shares of Foothills.

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Golden

Western holds equity interests in three Saskatchewan senior care homes and in Golden Health Care Management Inc. (collectively, "**Golden**"), a Saskatchewan-based operator and manager of retirement communities and senior care facilities.

For the three months ended March 31, 2026, Western recognized equity income from Golden of \$133,000 compared to \$87,000 in the comparative period of 2025. Dividends totaling \$315,000 were received in April 2026.

Golden reported revenue of \$2.9 million for the quarter compared to \$2.7 million in the prior year period, while EBITDA increased to \$731,000 from \$651,000 and net income increased to \$480,000 from \$289,000. The improved results primarily reflected strong occupancy levels across the homes and rate increases, while operating costs remained relatively stable.

Financial highlights for Golden (at 100%) are presented below:

	Three months ended	
	March 31,	
Financial results (\$'000)	2026	2025
Revenue	2,867	2,669
Net income	480	289
Interest	34	113
Amortization and depreciation	94	133
Tax	123	115
EBITDA¹	731	651

¹ EBITDA is a Non-GAAP measure that management uses to assess performance. The reconciliation above ties to the audited financial statements of the company.

In June 2025, Golden declared a return of capital distribution to shareholders. Western's share of the distribution amounted to \$479,700 and was recorded as a reduction in the carrying value of the investment. No further return of capital distributions had been received as at March 31, 2026.

Two of the three homes were in compliance with their banking covenants, while the third continued to show improvement in occupancy levels. Covenant testing is performed annually at August 31. During the quarter ended March 31, 2026, no repayment of the loan was made (\$105,000 in Q1 2025).

Western appoints two of the five directors of Golden Health Care Management Inc. and accounts for the investment using the equity method, as it exercises significant influence but not control over the investment.

GlassMasters

Prior to its disposition on February 2, 2026, Western held a 55% interest in GlassMasters, an automotive glass repair, replacement and wholesale distribution business operating across Alberta, Saskatchewan, British Columbia and Manitoba.

GlassMasters represented Western's first investment transaction made in 2016. Over the investment period, Western supported the growth and expansion of the business alongside management, while also earning recurring management fee, interest and equity income.

On February 2, 2026, Western sold its entire investment in GlassMasters, including its equity interest and promissory note, for net proceeds of approximately \$23.3 million, resulting in a realized gain on sale of \$14.4 million. At the date of sale, the carrying value of the investment was \$8.9 million, consisting of an investment in shares of \$4.2 million and a promissory note receivable of \$4.7 million. The final transaction value is subject to customary post-closing adjustments, including working capital true-ups and escrow arrangements.

From a tax perspective, the gain recognized in the transaction is expected to be treated as a capital gain and will enable the Corporation to utilize tax losses accumulated in prior years to offset the tax liability.

The transaction represented a significant realization of value for Western and generated a substantial return on the Corporation's original investment. Proceeds from the sale have strengthened Western's liquidity and financial flexibility and are expected to support future investment opportunities and capital allocation initiatives.

Western accounted for its investment in GlassMasters using the equity method, as it exercised significant influence through board representation but did not control the entity.

Up to the date of sale, Western recognized an equity loss from GlassMasters of \$1.3 million and interest income on the promissory note of \$54,000 during the first quarter of 2026. The equity loss in the period primarily reflected transaction-related management bonuses paid upon completion of the sale. In the comparative period of 2025, Western recognized an equity loss of \$0.1 million, interest income of \$163,000 and management fee income of \$18,750.

Financial highlights for GlassMasters (at 100%) are presented below:

Financial results (\$'000)	Three months ended March 31,	
	2026 ³	2025
Revenue	3,448	8,635
Gross profit	1,109	2,299
Net Income	(2,289)	(201)
Note payable interest paid to shareholders net of tax	76	227
Adjusted Net income¹	(2,213)	26
Interest	136	422
Amortization and depreciation	263	488
Tax	(595)	(62)
EBITDA²	(2,485)	648

¹ Non-GAAP measure - Interest on shareholder notes payable was added back to net income to provide normalized operating income (loss).

² EBITDA is a Non-GAAP measure, that management uses to assess performance. The reconciliation above ties to the audited financial statements of the company.

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3 2026 first quarter results are up to the date of sale of GlassMasters on February 2, 2026

Summary of Western's Quarterly Financial Information

Selected unaudited financial data for our operations during the last eight quarters are as follows:

\$000s except for per share amounts	Mar 31 2026	Dec 31 2025	Sep 30 2025	Jun 30 2025	Mar 31 2025	Dec 31 2024	Sep 30 2024	Jun 30 2024
Insurance revenue	9,307.6	9,050.8	10,015.5	8,518.1	8,212.0	8,142.1	-	-
Insurance service result	368.8	40.5	277.1	357.2	319.8	81.3	-	-
Operating expenses	1,652.4	1,629.7	1,277.5	1,293.3	1,503.7	1,821.1	735.9	563.0
Other income/(expense)	13,586.9	651.2	1,436.9	1,351.1	132.5	2,506.9	1,257.0	667.0
Net income (loss)	12,517.9	(935.0)	602.2	752.0	(983.8)	1,126.6	521.1	104.0
Earnings (loss) per share								
Basic	0.079	(0.006)	0.004	0.005	(0.007)	0.014	0.017	0.003
Diluted	0.053	(0.006)	0.003	0.004	(0.007)	0.014	0.017	0.002
Total assets	155,413.5	138,420.4	126,261.9	112,200.0	105,756.1	103,745.0	21,128.2	19,999.1
Long-term debt	900.0	900.0	900.0	900.0	900.0	1,005.0	7,634.1	7,292.3

Quarterly Analysis and Seasonality

The Corporation obtained majority ownership of Fortress and began consolidating the financial results of Fortress in its consolidated financial statements from the fourth quarter of 2024 (Q4/24). Prior to Q4/24, the Corporation accounted for its investment in Fortress using the equity method, and Fortress' financial performance was presented within *income from equity investments* in the consolidated statement of income. Accordingly, the results for periods prior to Q4/24 are not directly comparable to the consolidated results presented thereafter.

Insurance revenue increased in the first quarter of 2026 relative to the comparative quarter in the prior year by 13%. Insurance revenue reflects the portion of premiums and other insurance contract consideration earned during the period in exchange for insurance coverage and related services provided to policyholders. Under IFRS 17, insurance revenue is recognized as insurance services are provided and differs from gross written or gross earned premiums used under previous accounting standards., as well as IFRS 17 adjustments recorded on consolidation (see *Appendix A*).

The insurance service result generated a profit in the first quarter of \$369,000, which is the highest level Western has achieved on a quarterly basis, compared to \$320,000 profit in the same period in 2025.

Operating expenses in the first quarter was higher than in prior year, primarily due to increased headcount costs at the Western level following the appointment of additional senior management personnel in the second half of 2025.

As of the end of the quarter, the Corporation has long-term debt of \$0.9 million comprising of a shareholder loan outstanding with Golden.

Other income in Q1 2026 totaled \$13.6 million (2025 -- \$0.7 million). Consisting mainly of the gain from the sale of GlassMasters of \$14.4 million (2025-- \$nil), loss from equity investments of \$1.3

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million (2025 – Profit of \$0.1 million), \$0.3 million in finance income (2025 -- \$0.3 million), and fronting administrative fees of \$0.1 million (2025 - \$0.2 million).

Total assets increased in the quarter, primarily driven by \$23.3 million of net cash proceeds generated from the sale of GlassMasters.

In the first quarter of 2025, all outstanding debentures were converted into common shares.

Liquidity and Capital Resources

Western's liquidity requirements primarily relate to funding holding company operating expenses, investment activities, debt servicing obligations and supporting capital requirements within its subsidiaries and associates. Management believes the Corporation maintains sufficient financial flexibility through cash on hand, operating cash flows, distributions from investments and available credit facilities to meet its current and anticipated obligations.

Cash and cash equivalents increased significantly during the first quarter of 2026, primarily reflecting the sale of GlassMasters and the monetization of a portion of Fortress' fixed income investment portfolio.

Net cash provided by operating activities was \$0.1 million for the three months ended March 31, 2026, compared to net cash used in operating activities of \$1.2 million in the comparative period of 2025.

Net cash provided by investing activities was \$29.5 million during the quarter, compared to \$0.9 million in the first quarter of 2025. The increase primarily reflected net proceeds of approximately \$23.3 million received on the disposition of GlassMasters, together with approximately \$6.2 million generated from the monetization of fixed income investments held by Fortress.

Net cash used in financing activities was minimal during both the current and comparative periods.

The following table is a summary of our statement of cash flows:

Cash flow (\$'000)	Three months ended	
	2026	2025
Cash provided by (used in) operating activities	88	(1,224)
Cash provided by (used in) investing activities	29,473	921
Cash provided by (used in) financing activities	(27)	(25)
Increase (decrease) in cash	29,534	(328)
Cash at beginning of period	55,785	43,245
Cash at end of period	85,318	42,918

Western's primary sources of liquidity include cash and cash equivalents, distributions received from investments and available borrowing capacity under its credit arrangements. During the second quarter of 2026, subsequent to quarter end, the Corporation received dividends totaling \$315,000 from Golden. During the first quarter of 2025, Western received dividends from Golden totaling \$150,000, of which \$45,000 was received in cash and the remaining \$105,000 was applied against the shareholder loan.

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Western's capital structure is outlined below:

As at March 31, (\$'000)	2026	2025
Loan from related party	(900)	(900)
Less: cash	85,318	55,785
Net capital	84,418	54,885
Shareholder's equity	77,850	65,310

The Corporation is currently the beneficiary of a line of credit issued by ATB Financial in the amount of \$2,000,000 (\$2,000,000 - December 31, 2025). The line of credit bears interest at the bank's prime rate plus 2%, is due on demand and has a review date of May 31, 2026. As at March 31, 2026 the amount utilized in the facility was \$nil (December 31, 2025 : \$nil).

Western also has a shareholder loan payable to Golden of approximately \$0.9 million bearing interest at 6.09% per annum, with interest-only payments due monthly. The facility matures annually on January 31 and renews automatically unless otherwise terminated.

For 2026, quarterly and annual interest payments on this loan are \$14,000 and \$56,000 respectively.

During the prior year, all outstanding convertible debentures were converted into common shares. On March 7, 2025, debentures with a combined carrying value of approximately \$5.2 million, including the equity component, were converted into 10.6 million common shares at a conversion price of \$0.4725 per share, strengthening the Corporation's capital structure and reducing future financing obligations.

Outstanding Share Data

Our authorized share capital consists of an unlimited number of common and preferred shares.

As at March 31, 2026 the Corporation had issued 160,323,341 common shares and no preferred shares.

During the quarter ending March 31, 2026, 1,472,291 common shares were issued, including 1,221,078 shares issued upon the exercise of 2,500,000 warrants, and 251,213 shares issued upon the exercise of 611,000 options. The majority of the shares were issued following cashless exercises and total cash proceeds of \$7,050 was received. No common shares were issued in the comparative period in 2025.

As at March 31, 2026, there were 72,500,000 warrants and 2,448,000 options outstanding.

All warrants outstanding expire on December 6, 2029 and have an exercise price of \$0.47.

Options outstanding have expiry dates ranging from April 6, 2026 to October 17, 2034 and with exercise prices ranging from \$0.27 to \$0.65.

The Corporation's wholly owned subsidiary, Fortress, has an Employee Share Ownership Plan, of which as at March 31, 2026, 1,012,900 options were outstanding March 31, 2025 – 683,655), with vesting dates until December 31, 2028. These options will be settled by Fortress in Western shares.

Off-Balance Sheet Arrangements

As at March 31, 2026, and up to the date of this MD&A, the Corporation had no off-balance sheet arrangements.

Related Party Information

The Corporation has related party transactions with management and the Corporation's Associates. A detailed description of these transactions is presented in the notes to the financial statements for the period ended December 31, 2025, to be read in conjunction with this MD&A. Related party transactions are in the normal course of operations and are recorded at the exchange amount.

Subsequent Events

Dividends totalling \$315,000 were received from Golden in early April 2026, following their declaration on March 10, 2026.

Risks and Uncertainties

An investment in the Corporation's securities is subject to certain risks and uncertainties that investors should carefully consider. These risks include, but are not limited to, market volatility, regulatory changes, operational risks, and availability of equity and debt financing. A comprehensive list of risks and uncertainties to which the Corporation is exposed can be found in our annual MD&A for the year ended December 31, 2025, available at www.sedarplus.com. No material changes have occurred from the annual MD&A for the year ended December 31, 2025.

Critical Accounting Estimates and Accounting Policies

This MD&A is based on the financial statements, which are prepared in accordance with IAS 34. The preparation of the financial statements requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the carrying amounts of assets, liabilities, revenues, expenses, and disclosures of contingent assets and liabilities. Actual results may differ from these estimates, and the differences could be material. Estimates, judgments, and assumptions are reviewed on a continuous basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in future years. The critical accounting estimates and judgments are described in detail in note 5 of Western's annual audited financial statements for the year ended December 31, 2025.

Financial Instruments and Risk Management

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument to another entity. Upon initial recognition, all financial instruments are recognized on the statement of financial position at fair value. Subsequently, Western's financial instruments, including cash, accounts receivable, certain amounts due from related parties, accounts payable and accrued liabilities, and loans and borrowings, are measured at amortized cost. Financial instruments classified at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognized in the statement of profit or loss and include certain amounts due from related parties.

The Corporation, as part of its operations, is exposed in varying degrees to a variety of risks from the use of financial instruments. Risk management strategies are established to identify and analyze risks faced and to ensure risks and related exposures are consistent with the Corporation's business objectives and risk tolerance levels. As a result of the use of the above-mentioned financial instruments, the Corporation is exposed to risks that arise from their use, including market risk, credit risk, and liquidity risk. A detailed assessment of each of these risks is presented in the notes to the financial statements for the year ended December 31, 2025, to be read in conjunction with this MD&A.

Description of Non-IFRS Measures

The Corporation uses accounting principles accepted in Canada under IFRS. Certain supplementary measures in this document do not have any standardized meaning as prescribed by IFRS, including the non-IFRS measure, EBITDA, used in relation to our analysis of the results of the Corporation's Associates. At times adjusted net income may be presented, to remove non-operating income or expenses or one-time transactions. This is believed to provide a better picture of true results from operations and/or be comparable to prior year results.

The Corporation's method of calculating non-IFRS measures may differ from other issuers and therefore may not be comparable to similar measures presented by other reporting issuers. These non-IFRS financial measures are included because management uses this information to analyze operating performance. Readers are cautioned that these non-IFRS financial measures should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Forward-Looking Information

This MD&A contains "forward-looking information" within the meaning of Canadian provincial securities laws and "forward-looking statements" within the meaning of applicable Canadian securities legislation. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, include statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of our Corporation and its subsidiaries, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, and include words such as "expects," "likely," "anticipates," "plans," "believes," "estimates," "seeks," "intends," "targets," "projects," "forecasts", "potential" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may," "will," "should," "would" and "could".

Although management believes that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results, performance or achievements of our Corporation to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in the countries in which the Corporation does business; the behaviour of financial markets, including fluctuations in interest and foreign exchange rates; global equity and capital markets and the availability of equity and debt financing and refinancing within these markets; insurance risks including pricing risk, concentration risk and exposure to large losses, and risks associated with estimates of loss reserves; strategic actions including dispositions; the ability to complete and effectively integrate acquisitions into existing operations and the ability to attain expected benefits; changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates); the ability to appropriately manage human capital; the effect of applying future accounting changes; business competition; operational and reputational risks; technological change; changes in government regulation and legislation within the countries in which the Corporation operates; governmental investigations; litigation; changes in tax laws; changes in capital requirements; changes in reinsurance arrangements and availability and cost of reinsurance; ability to collect amounts owed; catastrophic events, such as earthquakes, hurricanes or pandemics; the possible impact of international conflicts and other developments including terrorist acts and cyberterrorism; risks associated with reliance on distribution partners, capacity providers and program administrators; third party risks; risk that models used to manage the business do not function as expected; climate change risk; risk of economic downturn; risk of inflation; risks relating to cyber-security; risks relating to credit ratings; and other risks and factors detailed from time to time in our documents filed with securities regulators in Canada.

Management cautions that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements and information, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, our Corporation undertakes no obligation to publicly update or revise any forward-looking statements or information, whether written or oral, that may be as a result of new information, future events or otherwise.

Subsequent events

On May 26, 2026, Western announced the appointments of Mackenzie Clark as Chief Legal Officer, Sai Ahmed as Chief Operating Officer, and Vic Bertrand as Executive Vice President and Chief Development Officer.

These appointments will allow Shafeen Mawani to continue focusing on Fortress Insurance, where he serves as CEO, while also contributing to the Western platform in his new role as Vice President.

Appendix A

The following IFRS 17 adjustments were done on Consolidation:

Impact to Income statement (\$'000)	For the quarter ended March 31, 2026	For the quarter ended March 31, 2025
Insurance service result		
Insurance revenue	561	1,636
Insurance service expenses	(457)	(1,233)
Net expenses from reinsurance contracts held	(83)	(327)
Total insurance service result	20	77
Interest accreted on insurance contracts issued	(11)	(166)
Interest accreted on reinsurance contracts held	9	141
Net insurance financial expense	(2)	(26)
Total Consolidation adjustment before tax	18	51
Tax expense	(5)	(13)
Total Consolidation adjustment after tax	14	38