

2025

ANNUAL REPORT



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Turn your tires into something beautiful.

Manitobans recycle over 2 million tires every year, protecting our land for future generations.



Give your tires a second chance and help us protect Manitoba's environment.

Learn How at RecycledTiresMB.ca

Ken Essex, of the Western Canada Tire Dealers Association, Tire Stewardship Manitoba, Chair.



MESSAGE

FROM THE CHAIR

Esplanade-Riel, Winnipeg MB

TSM's key achievement for 2025 was recycling 28,018 metric tons of tires into tire-derived aggregate, crumb rubber, blast mats, moulded and other products.



KEN ESSEX, CHAIR
Tire Stewardship Manitoba

TSM is a not-for-profit Producer Responsibility Organization (PRO) that collects a steward-fee on the sale of all new tires from Manitoba tire sellers ensuring that those who generate end-of-life tires (ELTs) have their tires collected and recycled in an environmentally and fiscally responsible manner.

I am pleased to present the 2025 Tire Stewardship Manitoba Annual Report that highlights the accomplishments of the organization's 18th year operating Manitoba's tire recycling program.

TSM's key achievement for 2025 was recycling 28,018 metric tons of tires into tire-derived aggregate, crumb rubber, blast mats, moulded and other products.

The two Manitoba based tire recyclers, over 1,530 retailers and generators, and 152 community partners now recycle more than 2.4 million tires (PTE) each year. Virtually all tires available annually for recycling, 18.61 kilograms of material for every Manitoban, continue to be collected and recycled for a diversion rate of 128%.

Other notable achievements for 2025:

- Awarding three \$3,000 scholarships to environmental science students attending Manitoba universities.

- \$199,564 awarded through 14 Community Grants that use recycled tire products made from Manitoba end of life tires in community, applied research, and road repair projects.
- 50+ full-time tire recycling jobs and over \$11 million in direct economic activity.
- 86% of 1660 Manitobans surveyed are aware that their tires are recycled in their province to make new products.

TSM continues to work for an effective, efficient, and sustainable tire recycling program in Manitoba toward the long-term goal of investing in collection and processing capacity to manage growth while maintaining our commitment to recovering all tires available for recycling while strengthening the marketplace for recycled tire products.

Sincerely,
Ken Essex
Chair

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Pisew Falls, MB

TSM introduced the Rubber Aggregate Road Building Grant that provides up to \$20,000 in funding for the use of Tire Derived Aggregate (TDA) for approved projects delivered by Manitoba communities and non-profit organizations.

The effective operations of the tire recycling industry in Manitoba continue to meet the challenge posed by the significant volume of end-of-life tires available annually for collection, processing and supplying recycled products to end markets.

Two Manitoba owned and operated tire recyclers, Reliable Tire Recycling (RTR) and Engineered Rubber Aggregate Corporation (ERA) support our industry's strong focus on local markets to recycle over 2 million tires each year. The program's participants that include new tire retailers, motor and equipment dealers, end-of-life tire generators, urban and rural municipalities, industry, consumers and the

growing number of First Nations and Northern communities combine the support necessary to implement TSM's approved 5-year program plan. With their support, TSM continues to provide Manitobans with effective environmental protection and efficient end-of-life tire recycling services that create economic development, innovation, and jobs, while reducing the risk of environmental harm or threat to human health.

In 2025 TSM introduced the Rubber Aggregate Road Building Grant that provides up to \$20,000 in funding for the use of Tire Derived Aggregate (TDA) for approved projects delivered by Manitoba communities and non-profit organizations. The Grant is applied toward the

cost of TDA and installation for each approved Rubber Aggregate Road and Geotechnical Project.

TSM's online digital marketing campaign raises awareness and educates Manitoba consumers about ways to reduce waste and recycle tires. Our new custom data management system launched this year featuring systems upgrades for online portals and automating processes.

TSM continues to evaluate current scientific literature on the use of recycled tire products in Manitoba while annually updating the program's life cycle assessment (LCA) of tire recycling in Manitoba. The LCA presents the best estimates of environmental performance for end-of-life tire

management that demonstrate relatively small impacts and a net environmental benefit for tire recycling in the province.

A move to a new office location and new staff joining the TSM team has refreshed the organization and brought new energy and ideas to the province's tire recycling program. The TSM team works in partnership with Canada's other tire recycling programs through the Canadian Association of Tire Recycling Agencies (CATRA) that continues to combine knowledge and expertise for investing in and strengthening our industry.

TSM also maintains strong partnership with other provincially mandated Producer Responsibility Organizations (PRO) that supports the removal of tires and other designated stewardship materials from Manitoba winter road communities, with the goal of integrating these communities into a network of sustainable, effective, and efficient province-wide recycling systems.



BRETT ECKSTEIN,
CHIEF EXECUTIVE OFFICER

[Tire Stewardship Manitoba](#)

TSM'S NEW CUSTOM DATA MANAGEMENT SYSTEM LAUNCHED THIS YEAR FEATURING SYSTEM UPGRADES FOR ONLINE PORTALS ETC.

IN 2025
28,018
TONNES OF MATERIALS
RECYCLED 

18.61
KILOGRAMS
OF TIRES DIVERTED FOR
EVERY MANITOBAN

128%
OF MATERIALS
RECOVERED



1685
COLLECTION
SITES

**FOR EVERY NEW TIRE SOLD AN END-OF-LIFE
TIRE WILL EVENTUALLY BE GENERATED**

Recycled tires are processed and used in environmentally responsible ways. Tire derived products are high performance, durable, UV resistant and can withstand extreme weather conditions.

TSM

BOARD MEMBERS

A volunteer board governs TSM and is composed of several directors representing international tire manufacturers, major suppliers, and tire retailers in Manitoba.

- Joe Casciano
Retail Council of Canada
- Kendale Penner
Western Canada Tire Dealers Association
- Geoff Sine
Member at Large
- Ken Essex
Western Canada Tire Dealers Association
- William Bench
Tire and Rubber Association of Canada
- Carolo Hochu
Tire and Rubber Association of Canada

TSM

ADVISORY COMMITTEE

A multi-stakeholder advisory committee also contributes to good governance of TSM program operations. The committee is composed of representatives of recyclers, municipalities, consumers, industry, the provincial government and environmental organizations.

- Manitoba Motor Dealers Association
- Association of Manitoba Municipalities
- Keystone Agricultural Producers
- Manitoba Trucking Association
- Western Equipment Dealers Association
- Reliable Tire Recycling
- Engineered Rubber Aggregate Corporation
- Manitoba Environment and Climate Change
- Green Action Centre

2025 PROGRAM SUMMARY

RECYCLING

MEASURES RELATED TO THE WEIGHT OF THE DESIGNATED TIRES AND TUBES INCLUDED IN THE PROGRAM

GENERATED¹



COLLECTED

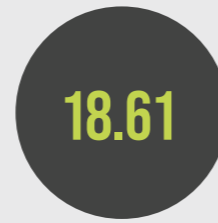


RECOVERED²



PERCENTAGE OF MATERIAL RECOVERED

PER CAPITA³



KILOGRAMS COLLECTED PER CAPITA

PRODUCT MARKETS

PERCENTAGE OF TOTAL PRODUCTS PROCESSED AND MANUFACTURED IN MANITOBA

14%

CRUMB/MANUFACTURED

10%

CUT/FABRICATED

76%

AGGREGATE

ACCESS

MEASURES RELATED TO THE CONVENIENCE OF ACCESSING THE PROGRAM

COVERAGE



PERCENT OF MANITOBA RESIDENTS
WITH COLLECTION SITE ACCESS

COLLECTION SITES



REGISTERED YEAR-ROUND
COLLECTION SITES

COMMUNITIES



NUMBER OF COMMUNITIES INCLUDING
FIRST NATIONS REGISTERED WITH TIRE
STEWARDSHIP MANITOBA

WINTER ROAD BACKHAUL

IN MANITOBA, PROVINCIALLY MANDATED PRODUCER RESPONSIBILITY ORGANIZATIONS (PRO) WORK TOGETHER TO SUPPORT THE RECOVERY OF DESIGNATED STEWARDSHIP MATERIALS THROUGH A WINTER ROAD BACKHAUL PROGRAM. IN 2025, THE PROGRAM RECOVERED 4580 TIRES TOTALLING 52.87 TONNES OF MATERIAL FROM 7 FIRST NATIONS WINTER ROAD COMMUNITIES.

4580

TIRES RECOVERED
FROM 7 COMMUNITIES

COMMUNICATION

MEASURES RELATED TO THE PUBLIC AWARENESS OF THE PROGRAM AND PARTICIPATION OF INDUSTRY STEWARDS

EDUCATION & AWARENESS

86.4%

OF 1660 SURVEY
RESPONDENTS

PERCENT OF THE POPULATION ARE AWARE
THAT MANITOBA END-OF-LIFE TIRES ARE
RECYCLED TO MAKE NEW PRODUCTS RIGHT
HERE IN OUR PROVINCE.



- WEBSITE
- SOCIAL MEDIA
- DIGITAL MARKETING
- PRINT MEDIA
- BILLBOARD CAMPAIGN
- VIDEO
- COMMUNITY GRANT PROGRAM

COST

MEASURES RELATED TO THE COSTS OF DELIVERING THE PROGRAM INCLUDING OPERATIONAL, ADMINISTRATIVE AND STEWARDSHIP PROGRAMS

RECYCLING



GENERAL AND ADMINISTRATIVE



STEWARDSHIP PROGRAM



TOTAL PROGRAM



2025 | SUMMARY OF MATERIALS RECOVERED

2025 MATERIAL RECOVERED			
MATERIAL	AMOUNT GENERATED	AMOUNT RECOVERED	% RECOVERED
Tires and Tubes	21,839 tonnes	28,018 tonnes	128%

2025 FINANCIAL SUMMARY		
CATEGORY	AMOUNT	COMMENTS
Annual Expenses	\$9,475,737	Sum of recycling costs, stewardship programs and general and administrative expenses
Stabilization Reserve	\$2,198,631	Funds are restricted to meet financial obligations of the organization
Addition/(draw down) from previous year	(\$2,120,563)	Net operating surplus (deficit)

- The amount of end-of-life tire material that can be generated from the annual sales of new tires in Manitoba sold 5 years prior to reflect the annual recovery rate calculation. Calculated using average tire weights: 11.5 kg for passenger/light truck; 50 kg for medium truck; 172 kg for large agricultural; 294 kg for small off-road-tires; 552 kg for large off-road-tires (Source: TSM End-Of-Life Passenger/Light Truck (PLT) Tire Weight and Characteristics Study, 2022. TSM Tire Counts and Weight Study Off-The-Road - OTR, 2014).
- The annual recovery rate of 128% reflects the ratio of material collected per material generated in tonnes. Factors impacting the difference between sales and collection are the long-term life of a tire, tire sales trends (winter tires, new car sales/vehicle registrations). As such TSM calculates recovery as the weight of end-of-life tires collected in the reporting year/divided by the weight of new tires sold 5 years prior. Virtually all (100%) of the end-of-life tires generated and available for collection are collected on an annual basis.
- Manitoba's population was 1,505,117 in 2025 (Source: Manitoba Bureau of Statistics)
- TSM continued with online engagement through digital marketing and an online survey.



LEARN MORE ABOUT TIRE RECYCLING IN MANITOBA

TIRESTEWARDSHIPMB.CA

Follow TSM @TireStewardshipMB on social networks

\$199,564

AWARDED TO

**7 COMMUNITY ENHANCEMENT
PROJECTS**

**6 RUBBER AGGREGATE
ROAD PROJECTS**

1 APPLIED RESEARCH PROJECT

USING MANITOBA
RECYCLED TIRE PRODUCTS

100%

**OF STEWARD-FEES GO TOWARD
PROGRAM OPERATION AND
ENHANCEMENT**

3 SCHOLARSHIPS
AWARDED TO DESERVING STUDENTS
STUDYING ENVIRONMENTAL SCI-
ENCES AT A MANITOBA UNIVERSITY

86.4%

of 1660 Survey Respondents

**ARE AWARE THAT MANITOBA
END-OF-LIFE TIRES ARE RECYCLED
TO MAKE NEW PRODUCTS RIGHT
HERE IN OUR PROVINCE**

100%
COVERAGE

MANITOBA'S WITH
COLLECTION SITE ACCESS

50

FULL TIME JOBS

IN TIRE RECYCLING AND OVER
\$10 MILLION IN DIRECT ECONOMIC ACTIVITY



941,000

Total Impressions*

GATHERED THROUGH ONLINE ENGAGEMENT USING
DIGITAL MARKETING FOR THE ONLINE SURVEY CONTEST

* the number of times an advertisement or piece of
content is viewed by a user

Pinawa, MB

2025 FINANCIAL STATEMENTS

TIRE STEWARDSHIP MANITOBA INC. INDEPENDENT AUDITOR'S REPORT YEAR ENDED DECEMBER 31, 2025

To the Directors of Tire Stewardship Manitoba Inc.

Opinion

We have audited the financial statements of Tire Stewardship Manitoba Inc., which comprise the statement of financial position as at December 31, 2025, the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Tire Stewardship Manitoba 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 not-for-profit organizations.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Information

Management is responsible for the Other Information. The Other Information comprises materials from the Annual General Meeting ("AGM") package, other than the financial statements and our Auditor's report thereon. This information may include summary/highlights of the Corporation's financial performance and capital expenditures that have (will be) taken place.

Our opinion on the financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As of the date of this report, the Other information was not available, therefore we have not read, nor can we report on the other information.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Independent Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Independent Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Independent Auditor's Report.

However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

CHARTERED PROFESSIONAL ACCOUNTANTS
WINNIPEG, MANITOBA
APRIL 8, 2026

TIRE STEWARDSHIP MANITOBA INC. STATEMENT OF FINANCIAL POSITION YEAR ENDED DECEMBER 31, 2025

<i>December 31,</i>	2025	2024
ASSETS		
CURRENT ASSETS		
Cash	\$ 647,523	\$ 1,462,709
Steward fees receivable	62,939	39,690
Prepaid expenses	22,286	12,595
Short-term reserve fund investments, notes 4 & 5	1,592,121	2,797,569
	2,324,869	4,312,563
LONG-TERM RESERVE FUND INVESTMENTS, notes 4 & 5		
Capital assets, note 6	710,776	1,144,031
	590,518	281,189
	\$ 3,626,163	\$ 5,737,783
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities, note 7	\$ 837,014	\$ 828,071
NET ASSETS		
Net investment in capital assets	590,518	281,189
Stabilization Reserve Designated Investments, note 8	2,198,631	4,628,523
	2,789,149	4,909,712
	\$ 3,626,163	\$ 5,737,783

Approved by the Board: **April 8, 2026**

Date

Director

Director

TIRE STEWARDSHIP MANITOBA INC.

STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2025

	Net Investment capital Assets	Stabilization Reserve	unrestricted	Total 2025	Total 2024
Beginning balance	\$ 281,189	\$ 4,628,523	\$	\$ 4,909,712	\$ 5,556,626
(Deficit) excess of revenue over expenditures			(2,120,563)	(2,120,563)	(646,914)
Purchase of capital assets	376,568		(376,568)		
Amortization of capital assets	(67,239)		67,239		
Board approved transfer		(2,429,892)	2,429,892		
Ending balance	\$ 590,518	\$ 2,198,631	\$	\$ 2,789,149	\$ 4,909,712

TIRE STEWARDSHIP MANITOBA INC.

STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2025

	2025	2024
REVENUE		
Steward fees	\$ 6,975,175	\$ 7,107,206
Investment income - realized	437,214	563,309
Unrealized (loss) gain on investments	(57,215)	142,489
Gain on disposal of assets		6,857
	7,355,174	7,819,861
OPERATIONS		
Processing	4,430,509	3,656,928
Collection	3,641,185	3,681,456
Municipal storage	118,831	149,150
	8,190,525	7,487,534
GROSS MARGIN	(835,351)	332,327
OTHER EXPENSES		
Administration	942,488	778,307
Public education and communications	134,450	112,667
Community demonstration grants	146,314	78,401
Special projects	61,960	9,866
	1,285,212	979,241
DEFICIT OF REVENUE OVER EXPENDITURES	\$ (2,120,563)	\$ (646,914)

TIRE STEWARDSHIP MANITOBA INC.

STATEMENT OF CASH FLOW

YEAR ENDED DECEMBER 31, 2025

	2025	2024
CASH PROVIDED BY (USED IN)		
OPERATIONS		
Deficit of revenue over expenditures	\$ (2,120,563)	\$ (646,914)
Amortization of capital assets	67,239	2,313
Gain on disposal of assets		(6,857)
Unrealized loss on investments	57,215	(142,489)
Changes in non-cash working capital items	(23,997)	3,042
CASH USED IN OPERATIONS	(2,020,106)	(790,905)
INVESTING		
Proceeds on disposal of assets		9,600
Purchase of capital assets	(376,568)	(14,500)
Proceeds from (purchase of) investments	1,581,488	(193,838)
CASH PROVIDED BY (USED IN) INVESTING	1,204,920	(198,738)
NET CASH USED IN OPERATING AND INVESTING ACTIVITIES	(815,186)	(989,643)
CASH, BEGINNING OF YEAR	1,462,709	2,452,352
CASH, END OF YEAR	\$ 647,523	\$ 1,462,709

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

1. PURPOSE AND LEGAL FORM OF THE ORGANIZATION

Tire Stewardship Manitoba Inc. was incorporated without share capital, to manage a mandatory scrap tire waste reduction program on behalf of its members, as set out in the Waste Reduction and Prevention Act (Manitoba Regulation 222/06).

The Organization is a not-for-profit organization exempt from tax under paragraph 149(1)(1) of the Income Tax Act (Canada).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

These financial statements have been prepared in accordance with the Canadian accounting standards for not-for-profit organizations.

(b) Financial Instruments

The Organization's financial instruments consist of cash, steward fees receivable, short-term investments, long-term investments and, accounts payable and accrued liabilities. The Organization initially measures its financial assets and liabilities at fair value. The Organization subsequently measures all financial assets and liabilities at amortized cost, except for short-term and long-term investments which are subsequently measured at fair value.

Unrealized gains or losses from investments are recognized in the statement of operations.

(c) Revenue Recognition

Revenue from tire recycling fees is recognized when it becomes known and collectible, which occurs when the retailers submit reports for tires sold.

Investment income is recognized when earned and collectibility is reasonably assured.

(d) Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions about future events that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ significantly from those estimates.

(e) Capital Assets

Capital assets are stated at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Office equipment	20% declining balance
Computer equipment	30%
Computer software	straight-line basis over ten years
Vehicles	30% declining balance

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

3. FINANCIAL INSTRUMENTS RISK

The Organization, through its financial assets and liabilities, is exposed to various risks in the normal course of operations. The following analysis provides a measurement of those risks at year end:

Credit risk is the risk that a third party to a financial instrument might fail to meet its obligations under the terms of the financial instrument. The Organization's financial assets that are exposed to credit risk consist of cash, steward fees receivable, short and long term investments. The Organization's cash and investments are maintained with a large federally regulated financial institution in Canada therefore credit risk is limited. The steward fees receivable represent current year fees expected to be collected in the subsequent year, and credit risk is limited to the balance reported on the statement of financial position.

Market rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Organization has a diversified portfolio of investments, which mitigates its market rate risk.

Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they become due. The Organization holds current assets that can be readily converted to cash with a value that exceeds the total liabilities reported at year end, therefore liquidity risk is limited.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization mitigates interest rate risk by purchasing fixed income investments.

Currency risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to fluctuations in foreign exchange rates. The Organization's functional currency is the Canadian dollar. The Organization holds U.S investments that are denominated in CAD currency.

There have been no changes in the Organization's risk exposures from the prior year.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

4. RESERVE FUND INVESTMENTS

The Organization holds investments which consist of fixed income and equity securities.

The investments held by the Organization are designated for Stabilization reserve purposes (see note 8).

Fixed investments as a percentage of total (excluding cash) based on fair market value as at December 31, 2025 is 45.0% (2024 - 46.1%).

	Short-Term Investments	Long-Term Investments	Market Value 2025	cost 2025	Market Value 2024
Cash & high interest savings	\$ 55,483	\$	\$ 55,483	\$ 55,483	\$ 808,412
Investment class					
Fixed Income (note 5)	\$ 300,000	710,776	\$ 1,010,776	\$ 1,014,630	\$ 1,444,031
Equity	\$ 1,236,638	\$	\$ 1,236,638	\$ 809,693	\$ 1,689,157
Total	\$ 1,592,121	\$ 710,776	\$ 2,302,897	\$ 1,879,806	\$ 3,941,600

5. FIXED INCOME INVESTMENTS

The Organization's fixed income investments consist of bonds and guaranteed investment certificates and have been reported at market value. Investment cost is presented below for comparison:

	2025 Cost	2025 Market Value	2024 Market Value
Laurentian Bank, interest of 2.10%, matured on January 13, 2025	\$	\$	\$ 100,000
RFA Bank of Canada, interest of 2.34%, matured on January 13, 2025			100,000
Bank of Montreal, interest of 4.50%, matured on September 8, 2025			100,000
BMO Aggregate Bond, various maturity dates between 2029 - 2051	128,630	124,776	128,340
BMO Ultra Bond, matured in 2025			129,691
BMO Trust Company, interest of 5.05%, maturing December 7, 2026	100,000	100,000	100,000
Fairstone Bank, interest of 4.75%, maturing December 14, 2026	100,000	100,000	100,000
Peoples Trust, interest of 4.73%, maturing December 14, 2026	100,000	100,000	100,000
Haventree Bank, interest of 3.58%, maturing October 18, 2027	100,000	100,000	100,000
concentra Bank, interest of 4.77%, maturing December 13, 2027	100,000	100,000	100,000
Home Trust, interest of 4.70%, maturing December 13, 2027	100,000	100,000	100,000
Equitable Trust, interest of 4.37%, maturing July 5, 2028	100,000	100,000	100,000
Homequity Bank, interest of 4.39%, maturing July 5, 2028	100,000	100,000	100,000
Manulife Bank, interest of 4.36%, maturing July 5, 2028	86,000	86,000	86,000
Total	\$1,014,630	\$ 1,010,776	\$ 1,444,031

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

6. CAPITAL ASSETS

	2025			2024		
	Cost	Accumulated Amortization	Net carrying Amount	Cost	Accumulated Amortization	Net Carrying Amount
Computer equipment	\$ 72,351	\$ 56,645	\$ 15,706	\$ 55,208	\$ 53,587	\$ 1,621
Computer software	606,711	60,671	546,040	283,509	6,759	276,750
Office equipment	23,010	18,909	4,101	20,958	18,140	2,818
Leasehold improvements	27,412	2,741	24,671			
Total	\$ 729,484	\$ 138,966	\$ 590,518	\$359,675	\$ 78,486	\$ 281,189

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2025	2024
Accrued liabilities	\$ 227,616	\$ 254,297
Employee deductions payable	11,078	7,124
Federal sales taxes payable	24,772	63,625
Trade accounts payable	573,548	503,025
Total	\$ 837,014	\$ 828,071

8. STABILIZATION RESERVE DESIGNATED INVESTMENTS

The Board of Directors has internally restricted net assets through the establishment of a Stabilization Reserve Designated Investments. The primary objectives of the Stabilization Reserve are:

- a) To ensure sufficient funds are available to meet contractual commitments including, but not limited to, potential financial incentives owing to registered processors.
- b) To assist in the event of a cessation of the TSM program, or the wind up of the Corporation or other contingencies with the potential financial consequence that may arise if such event were to occur.
- c) To ensure sufficient funds are available to cover the increases in the recovery rate of program material.
- d) To ensure sufficient funds are available to cover a decrease or elimination of revenue and/or unbudgeted operating losses.
- e) To ensure funds are available to fund research and development activities and other initiatives needed to sustain a tire recycling program in the province of Manitoba.

The Stabilization Reserve balance will not exceed 12 months of prior year total revenue and will be maintained by the Board of Directors at an amount sufficient to reasonably satisfy the policy objectives set out above.

As at December 31, 2025, the Stabilization Reserve balance is \$2,198,632 (does not exceed 2025 total revenue of \$7,355,174).

9. LEASE COMMITMENT

The Organization has entered into an agreement respecting the lease of its premises. The lease includes base rent payments plus a proportionate share of operating expenses, property taxes and management fees, which are reported within the Administration expense on the statement of operations.

In 2025, the previous lease agreement for 1791 Dublin Avenue - Unit B office was terminated and the Organization entered a new lease agreement for the office located at 1215 Henderson Hwy - Unit 201 as of November 1, 2025. The Organization is required to pay the lease and relating operating costs of 1791 Dublin Avenue office until March 31, 2026. The new lease for 1215 Henderson Hwy office covers the period of November 1, 2025 to October 31, 2028. Payments for the years up to the date of lease expiration are as follows:

2026	\$	39,666
2027		34,464
2028 (10 months)		28,720
Total	\$	102,850

10. ESTIMATED TIRE PROCESSING COMMITMENT

The Organization estimates that at December 31, 2025, the Tire Processor held 12,919 metric tonnes (2024 - 14,087) of tires in their inventory. If all tires in inventory were processed, the Organization estimates that approximately \$2,356,690 (2024 - \$2,465,501) would be payable to the Tire Processor.

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