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Quarterly
REPORT

SAVARIA CORPORATION

Quarterly Report

For the Three-Month Period Ended March 31, 2025

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SAVARIA CORPORATION

Management's Discussion & Analysis Report

For the three-month period ended March 31, 2025

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1. Basis of Presentation

The following management's discussion and analysis ("MD&A"), dated May 7, 2025, is intended to assist readers to better understand Savaria Corporation, its business context, strategies, risk factors and key financial results. It notably discusses the Corporation's financial position and operating results for the three-month period ended March 31, 2025, in comparison to the corresponding period of fiscal 2024. Unless otherwise indicated, the terms "Corporation," "Savaria," "we" and "our," refer to Savaria Corporation and its subsidiaries.

Prepared in accordance with *National Instrument 51-102 Respecting Continuous Disclosure Obligations,* this report should be read in conjunction with the unaudited interim condensed consolidated financial statements for the period ended March 31, 2025 as well as the audited consolidated financial statements and accompanying notes for the year ended December 31, 2024, and the MD&A for the same period. Unless otherwise indicated, all amounts are expressed in Canadian dollars. Amounts in certain passages of this MD&A may be expressed in millions of Canadian dollars ("M"); however, all percentage references related to such amounts are calculated based on the thousands of Canadian dollars amount figures contained in the corresponding tables.

The Corporation's management is responsible for the preparation of the MD&A, and it has been reviewed by Savaria's Audit Committee and approved by its Board of Directors.

Additional information, including the Annual Information Form, is available on the website of SEDAR+ at www.sedarplus.ca.

2. Forward-Looking Statements

This MD&A includes certain statements which are “forward-looking statements” within the meaning of the securities laws of Canada. Any statement in this MD&A which is not a statement of historical fact may be deemed to be a forward-looking statement. When used in this MD&A, the words “believe,” “could,” “should,” “intend,” “expect,” “estimate,” “assume” and other similar expressions are generally intended to identify forward-looking statements. It is important to know the forward-looking statements in this MD&A describe our expectations as at May 7, 2025, which are not guarantees of the future performance of Savaria or its industry, and involve known and unknown risks and uncertainties which may cause Savaria’s or the industry’s outlook, actual results or performance to be materially different from any future results or performance expressed or implied by such statements. Our actual results could be materially different from our expectations if known or unknown risks affect our business, or if our estimates or assumptions turn out to be inaccurate. A change affecting an assumption can also have an impact on other interrelated assumptions, which could increase or diminish the effect of the change. As a result, we cannot guarantee that any forward-looking statement will materialize and, accordingly, the reader is cautioned not to place undue reliance on these forward-looking statements. Forward-looking statements do not take into account the effect that transactions or special items announced or occurring after the statements are made may have on our business. For example, they do not include the effect of sales of assets, monetizations, mergers, acquisitions, other business acquisitions or transactions, asset write-downs or other charges announced or occurring after forward-looking statements are made.

Unless otherwise required by applicable securities laws, we disclaim any intention or obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

The foregoing risks and uncertainties include the risks set forth under “Risks and Uncertainties” in this report, as well as other risks detailed from time to time in reports filed by Savaria with securities regulators in Canada.

3. IFRS and Non-IFRS Measures

The Corporation’s financial statements are prepared in accordance with IFRS. However, in this MD&A the following non-IFRS measures and non-IFRS ratios are used by the Corporation: EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted EBITDA per share, adjusted net earnings, adjusted net earnings per share, available credit facilities, available funds, working capital, total debt, net debt and ratio of net debt to adjusted EBITDA. Reconciliations to IFRS measures and ratios can be found in sections 3, 6 and 8 of this MD&A.

The Corporation believes these non-IFRS measures and ratios are useful for investors and analysts to properly assess its financial and operating performance. Although management, investors and analysts use these measures and ratios to evaluate the Corporation’s financial and operating performance, they have no standardized definition in accordance with IFRS and should not be regarded as an alternative to financial information prepared in accordance with IFRS. These measures and ratios may therefore not be comparable to similar measures and ratios reported by other entities.

EBITDA

EBITDA is defined as earnings before net finance costs, income tax expense and depreciation and amortization. Management uses EBITDA to assess the operating performance of our business. The Corporation also believes this measure is commonly used by investors and analysts to measure a company’s ability to service debt and to meet other payment obligations, or as a common valuation measurement. The Corporation excludes depreciation and amortization expense, which is non-cash in nature and can vary significantly depending upon accounting methods or non-operating factors and net finance cost to eliminate the impact on earnings derived from non-operational activities. Investors are cautioned that EBITDA should not be considered an alternative to operating income or net earnings for the period as an indicator of the Corporation’s performance, or an alternative to cash flows from operating, investing and financing activities as a measure of liquidity and cash flow.

ADJUSTED EBITDA, ADJUSTED EBITDA MARGIN AND ADJUSTED EBITDA PER SHARE

Adjusted EBITDA is defined as EBITDA before other expenses or income, strategic initiatives expenses and stock-based compensation expense. Management uses adjusted EBITDA, adjusted EBITDA margin and adjusted EBITDA per share, among other measures, to assess the operating performance of the business. The Corporation also believes these measures are commonly used by investors and analysts to measure a company's ability to service debt and to meet other payment obligations, or as a common valuation measurement. The Corporation excludes depreciation and amortization expense as well as stock-based compensation expense, which are non-cash in nature and can vary significantly depending upon accounting methods or non-operating factors. Furthermore, the Corporation excludes a) Other expenses or income that can vary from period to period and which could otherwise mask the underlying trends in the business and b) Strategic initiatives expenses, which are significant costs incurred in relation to *Savaria One* that could mask the actual baseline performance, as the costs are only for the duration of the project and incurred prior to any perpetual benefits realized or pending realization. Investors are cautioned that adjusted EBITDA should not be considered an alternative to operating income or net earnings for the period as an indicator of the Corporation's performance, or an alternative to cash flows from operating, investing and financing activities as a measure of liquidity and cash flow.

Adjusted EBITDA margin is defined as adjusted EBITDA expressed as a percentage of revenue.

Adjusted EBITDA per share is calculated using the diluted weighted average number of shares for the corresponding period.

	Total	2025	2024				2023		
in thousands of dollars	Trailing 12 months	**Q1**	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Operating Income	$87,654	**$21,238**	$21,772	$22,040	$22,604	$17,721	$19,843	$20,622	$16,226
Amortization and depreciation expense	53,165	**13,238**	13,909	13,471	12,547	12,262	12,319	12,367	12,258
EBITDA*	140,819	**34,476**	35,681	35,511	35,151	29,983	32,162	32,989	28,484
Stock-based compensation	2,894	**728**	717	766	683	590	403	615	538
Strategic initiatives expenses	20,950	**4,670**	5,520	5,413	5,347	5,299	2,018	880	250
Other expenses (incomes)	2,533	**773**	949	47	764	(1,191)	522	-	-
Adjusted EBITDA*	$167,196	**$40,647**	$42,867	$41,737	$41,945	$34,681	$35,105	$34,484	$29,272
Adjusted EBITDA per share*	$2.33	**$0.57**	$0.59	$0.58	$0.59	$0.49	$0.49	$0.53	$0.45
Diluted weighted average number of shares	71,651,011	**71,868,735**	72,357,117	71,811,980	71,405,637	71,213,393	71,031,225	65,353,751	64,797,135
Adjusted EBITDA Margin*	19.0%	**18.5%**	19.2%	19.5%	19.0%	16.6%	16.2%	16.4%	14.8%

* Non-IFRS measures are described and reconciled in this section.

in thousands of dollars, except percentages	Q1 2025 Accessibility	Patient Care	Head Office	Total
Operating Income	$20,280	$6,676	$(5,718)	**$21,238**
Amortization and depreciation expense	10,154	2,114	970	**$13,238**
EBITDA*	$30,434	$8,790	$(4,748)	**$34,476**
Stock-based compensation	-	-	728	**$728**
Strategic initiatives expenses	3,138	467	1,065	**$4,670**
Other expenses	610	163	-	**$773**
Adjusted EBITDA*	$34,182	$9,420	$(2,955)	**$40,647**
Adjusted EBITDA Margin*	20.1%	18.8%	n/a	**18.5%**
	Q1 2024			
Operating Income	$15,505	$6,496	$(4,280)	**$17,721**
Amortization and depreciation expense	9,162	2,008	1,092	**$12,262**
EBITDA*	$24,667	$8,504	$(3,188)	**$29,983**
Stock-based compensation	-	-	590	**$590**
Strategic initiatives expenses	4,435	565	299	**$5,299**
Other expenses	(1,551)	-	360	**$(1,191)**
Adjusted EBITDA*	$27,551	$9,069	$(1,939)	**$34,681**
Adjusted EBITDA Margin*	17.2%	18.5%	n/a	**16.6%**

* Non-IFRS measures are described and reconciled in this section.

ADJUSTED NET EARNINGS AND ADJUSTED NET EARNINGS PER SHARE

Adjusted net earnings is defined as net earnings excluding other expenses or income, strategic initiatives expenses and the related income tax effects. The Corporation uses adjusted net earnings and adjusted net earnings per share to measure its performance from one period to the next, without the variation caused by the impacts of the items described above. The Corporation excludes these items because they affect the comparability of its financial results and could potentially distort the analysis of trends in its business performance. The Corporation excludes a) Other expenses or incomes that can vary from period to period and which could otherwise mask the underlying trends in the business and b) Strategic initiatives expenses, which are significant costs incurred in relation to Savaria One that could mask the actual baseline performance, as the costs are only for the duration of the project and incurred prior to any perpetual benefits realized or pending realization.

Adjusted net earnings per share is calculated using the diluted weighted average number of shares for the corresponding period.

AVAILABLE CREDIT FACILITIES AND AVAILABLE FUNDS

Available credit facilities is defined as the total amount available under the existing revolving facility minus the amount drawn and outstanding letters of credit. Available funds is defined as the available credit facilities plus cash and cash equivalents. The Corporation believes that certain investors and analysts use these measures to assess financial leverage.

WORKING CAPITAL

Working capital is defined as current assets minus current liabilities. The Corporation uses this metric to measure its liquidity, operational efficiency and short-term financial health.

TOTAL DEBT, NET DEBT AND RATIO OF NET DEBT TO ADJUSTED EBITDA

Total debt is defined as the amount drawn under the revolving facility, notes payable related to business acquisitions, outstanding letters of credit and lease liabilities, including current portions. Net debt is defined as total debt, net of cash and cash equivalents. The ratio of net debt to adjusted EBITDA is calculated by dividing net debt by the trailing twelve months adjusted EBITDA. The Corporation believes that certain investors and analysts use these measures to assess financial leverage.

4. Business Overview

Savaria is one of the global leaders in the accessibility industry, providing solutions for the elderly and physically challenged to improve their comfort, mobility and independence. The Corporation has one of the most comprehensive product lines in the industry, split into two reportable segments, *Accessibility* and *Patient Care*.

Savaria designs, manufactures, distributes and installs accessibility equipment, such as elevators for home and commercial use, stairlifts for straight and curved stairs, vertical and inclined wheelchair lifts and dumbwaiters. In addition, Savaria manufactures and markets a comprehensive selection of pressure management products, medical beds, as well as an extensive line of medical equipment and solutions for the safe movement of patients, such as transfer, lifting and repositioning aids.

Savaria operates a global manufacturing network with four plants in Canada, two in the United States, one in Mexico, five in Europe, and two in China. The Corporation has direct sales offices in Canada, the United States, seven European countries and Australia. It also operates an extensive worldwide dealer network.

As at May 7, 2025, Savaria's workforce totaled approximately 2,500 employees worldwide.

4.1 REPORTABLE SEGMENTS OF THE CORPORATION

The business is structured into two reportable segments, *Accessibility* and *Patient Care* according to their respective addressable markets.

Accessibility

Through the *Accessibility* segment, Savaria designs, manufactures, distributes and installs a wide portfolio of accessibility products including commercial elevators, home elevators, stairlifts, platform lifts and dumbwaiters, for personal, residential or commercial applications. It also sells a wide variety of wheelchair accessible motor vehicles adapted for people with special needs. Savaria operates manufacturing facilities in Canada (Brampton and Surrey), Mexico (Querétaro), Italy (Milan), the United Kingdom (Kingswinford and Birmingham), the Netherlands (Heerhugowaard) and China (Huizhou and Xiamen). Savaria products are sold worldwide through a network of approximately 1,500 dealers as well as through 28 company-owned direct sales offices, through which the Corporation also provides installation, repair and maintenance services. The Van-Action and Freedom Motors subsidiaries, which were sold on February 1, 2024, previously manufactured lowered-floor wheelchair accessible conversions for selected brands of minivans.

Patient Care

With its *Patient Care* segment, Savaria designs, manufactures, distributes, and installs ceiling lifts, patient transfer slings and accessories, floor lifts and standing aids, bathing equipment, medical beds, therapeutic support surfaces and pressure management products used in healthcare facilities and in home care settings. Savaria operates manufacturing facilities in Canada (Magog and Beamsville), the United States (Greenville and St. Louis) and the United Kingdom (Newton Abbot). The Savaria *Patient Care* product line is sold through institutional and home care sales channels in North America and Europe.

The following tables provide the revenue of Savaria by reportable segment and by region, for the three-month period ended March 31:

	Q1 2025					
in thousands of dollars, except percentages	Accessibility		Patient Care		Total	
Canada	**$22,730**	**13.4%**	**$17,801**	**35.6%**	**$40,531**	**18.4%**
United States	**72,901**	**42.8%**	**29,410**	**58.7%**	**102,311**	**46.5%**
Europe and rest of world	**74,524**	**43.8%**	**2,866**	**5.7%**	**77,390**	**35.1%**
Total	**$170,155**	**100.0%**	**$50,077**	**100.0%**	**$220,232**	**100.0%**

	Q1 2024					
	Accessibility		Patient Care		Total	
Canada	$18,009	11.2%	$15,475	31.6%	$33,484	16.0%
United States	64,109	40.0%	30,965	63.1%	95,074	45.4%
Europe and rest of world	78,285	48.8%	2,601	5.3%	80,886	38.6%
Total	**$160,403**	**100.0%**	**$49,041**	**100.0%**	**$209,444**	**100.0%**

5. Financial Highlights

	Q1	
in thousands of dollars, except per-share amounts	**2025**	2024
Revenue	**$220,232**	$209,444
Gross Profit	**83,251**	75,394
Operating income	**$21,238**	$17,721
Adjusted EBITDA*	**$40,647**	$34,681
Adjusted EBITDA margin*	**18.5%**	16.6%
Net earnings[1]	**12,479**	11,629
Adjusted net earnings*[1]	**16,516**	14,333
Diluted net earnings per share[1]	**$0.17**	$0.16
Adjusted net earnings per share*[1]	**$0.23**	$0.20

* Non-IFRS measures are described and reconciled in sections 3 and 6.
[1] The amounts for 2024 reflect adjustments made for Q1 2024 between net finance costs and other comprehensive income, as detailed and explained in Section 7.

Q1 2025 HIGHLIGHTS

- Revenue for the quarter was $220.2M, up $10.8M or 5.2%, compared to Q1 2024, mainly due to a positive foreign exchange impact of 3.3% and organic growth of 0.8%. The revenue contribution from the acquisition of Matot was partially offset by the divestitures of Van-Action and Freedom Motors.
    - *Accessibility* experienced growth of 6.1%, including growth of 11.8% coming from North America and partially offset by a contraction of 2.8% in Europe.
    - *Patient Care* achieved revenue growth of 2.1%.
- Gross profit was $83.3M, up $7.9M or 10.4%, compared to Q1 2024, representing a gross margin of 37.8%, an increase of 180 bps compared to 36.0% in Q1 2024.
- Operating income was $21.2M, up $3.5M or 19.8%, compared to Q1 2024, representing an operating margin of 9.6% compared to 8.5% in Q1 2024.

- Adjusted EBITDA* was $40.6M, up $6.0M or 17.2%, representing $0.57 per share, up $0.08, when compared to Q1 2024.

- Adjusted EBITDA margin* stood at 18.5% up 190 bps compared to 16.6% in Q1 2024.
  - *Accessibility* adjusted EBITDA* was $34.2M or 20.1%, an increase of $6.6M or 24.1% compared to Q1 2024.
  - *Patient Care* adjusted EBITDA* was $9.4M or 18.8%, an increase of $0.4M or 3.9% compared to Q1 2024.

- Net earnings and adjusted net earnings* for the quarter were $12.5M and $16.5M, respectively, or $0.17 and $0.23 per share on a diluted basis, compared to $11.6M and $14.3M, respectively, or $0.16 and $0.20 per share on a diluted basis in Q1 2024.

- The ratio of net debt to adjusted EBITDA* stood at 1.49 in comparison to 1.63 as at December 31, 2024.

- Available funds* of $254.7M, as of March 31, 2025, to support working capital, investments and growth opportunities.

6. Financial Review

6.1 REVENUE

During the quarter, the Corporation generated revenue of $220.2M, up $10.8M or 5.2%, compared to the same period in 2024. The increase was mainly due to a positive foreign exchange impact of 3.3% and organic growth of 0.8%. The revenue contribution from the acquisition of Matot was partially offset by the divestitures of Van-Action and Freedom Motors.

The following tables provide a summary of quarterly variances in revenue both by reportable segment and in total.

	Q1		
in thousands of dollars, except percentages	Accessibility	Patient Care	**Total**
Revenue 2025	$170,155	$50,077	**$220,232**
Revenue 2024	$160,403	$49,041	**$209,444**
Net change %	6.1%	2.1%	**5.2%**
Organic growth (contraction)[1]	1.6%	(1.9)%	**0.8%**
Acquisition/divestiture impact[2]	1.4%	0.0%	**1.1%**
Foreign currency impact[3]	3.1%	4.0%	**3.3%**
Net change %	6.1%	2.1%	**5.2%**

[1] Organic growth (contraction) represents the revenue growth/decrease coming from the existing entities as of the previous year and is calculated based on local functional currency.

[2] Acquisition/divestiture impact represents the revenue growth/decrease coming from the newly acquired or divested entities during the last 12 months and is calculated based on local functional currency.

[3] Foreign currency impact represents the foreign exchange impact unrelated to organic growth (contraction) and acquisition/divestiture.

6.1.1 Accessibility

Revenue from our *Accessibility* segment was $170.2M for the quarter, an increase of $9.8M or 6.1%, compared to the same period in 2024. The increase in revenue was due to positive foreign exchange impact of 3.1%, mainly coming from the GBP, EUR and USD currencies combined with overall organic growth of 1.6% consisting of 6.8% growth in North America and a contraction of 6.6% in Europe. North America was able to deliver constant revenues in a more difficult market in the United States. The revenue contraction in Europe is mainly due to the Corporation's focus on higher margin contracts in a competitive environment. Both regions continue to remain focused on profitable growth. In addition, the revenues from the acquisition of Matot are partially offset by the decrease from the divestitures of Van-Action and Freedom Motors operations.

* Non-IFRS measures are described and reconciled in sections 3, 6 and 8.

6.1.2 Patient Care

Revenue from our *Patient Care* segment was $50.1M for the quarter, an increase of $1.0M or 2.1% compared to the same period in 2024. The revenue increase is mainly due to a positive foreign exchange impact of 4.0%, partially offset by timing in projects being installed at customer sites. The revenue is in line with management's expectations for the year.

6.2 GROSS PROFIT AND OPERATING INCOME

	Q1			
in thousands of dollars, except per-share amounts and % revenue	**2025**		2024	
Revenue	**$220,232**		$209,444	
Cost of sales	**136,981**	**62.2%**	134,050	64.0%
Gross Profit	**$83,251**	**37.8%**	$75,394	36.0%
Selling and administrative expenses	**56,570**	**25.7%**	53,565	25.6%
Strategic initiatives expenses	**4,670**	**2.1%**	5,299	2.5%
Other expenses (incomes)	**773**	**0.4%**	(1,191)	(0.6%)
Operating income	**$21,238**	**9.6%**	$17,721	8.5%
Net finance costs[1]	**3,522**	**1.6%**	2,341	1.2%
Earnings before income tax [1]	**$17,716**	**8.0%**	$15,380	7.3%
Income tax expense[1]	**5,237**	**2.4%**	3,751	1.7%
Net Earnings[1]	**$12,479**	**5.6%**	$11,629	5.6%
Adjusted EBITDA*	**$40,647**	**18.5%**	$34,681	16.6%
Basic net earnings per share[1]	**$0.17**		$0.16	
Diluted net earnings per share[1]	**$0.17**		$0.16	

* Non-IFRS measures are described and reconciled in section 3.
[1] The Q1 2024 amounts reflect adjustments made between net finance costs and other comprehensive income, as detailed and explained in Section 7.

For the quarter, the increase in gross profit of $7.9M when compared to the same period in 2024, is attributable to improved gross margins in both segments due to operating leverage and improved pricing.

For the quarter, selling and administrative expenses as a percentage of revenue were higher by 10 bps when compared to the same period in 2024, mainly due to increased short-term incentives and professional fees.

For the quarter, the Corporation incurred $0.8M in other expenses, including $0.5M in integration costs for the business acquisition of Matot and $0.3M for an optimization program. In addition, $4.7M was incurred in strategic initiative expenses in the quarter.

Consequently, operating income was $21.2M for the quarter, an increase of $3.5M when compared to $17.7M for the same period in 2024. The increase was mainly attributable to the additional revenue contribution and higher gross margins while partially offset by increased selling and administrative expenses.

6.3 ADJUSTED EBITDA

Adjusted EBITDA[*] and adjusted EBITDA margin[*] for the quarter stood at $40.6M and 18.5%, respectively, compared to $34.7M and 16.6% for the same period in 2024. The increased profitability is mainly explained by the aforementioned increase in gross margin for both segments.

Head office costs for the three-month period ended March 31, 2025 stood at $3.0M versus $1.9M for the same period in 2024, mainly due to increased short-term incentives and professional fees. These costs are in line with management's expectations for the year.

[*] Non-IFRS measures are described and reconciled in sections 3 and 6.

The following tables provide a summary of quarterly adjusted EBITDA*, by reportable segment and in total.

in thousands of dollars, except percentages	Q1 2025 Accessibility	Patient Care	Head Office	Total
Revenue	$170,155	$50,077	n/a	**$220,232**
Adjusted EBITDA*	$34,182	$9,420	$(2,955)	**$40,647**
Adjusted EBITDA Margin*	20.1%	18.8%	n/a	**18.5%**
	Q1 2024			
Revenue	$160,403	$49,041	n/a	**$209,444**
Adjusted EBITDA*	$27,551	$9,069	$(1,939)	**$34,681**
Adjusted EBITDA Margin*	17.2%	18.5%	n/a	**16.6%**

* Non-IFRS measures are described and reconciled in section 3.

6.3.1 Accessibility

For the quarter, *Accessibility* adjusted EBITDA* and adjusted EBITDA margin* stood at $34.2M and 20.1%, respectively, compared to $27.6M and 17.2% for the same period in 2024. The increase in adjusted EBITDA* and adjusted EBITDA margin* was mainly due to improved pricing on products delivered and lower material costs for both geographical regions. The adjusted EBITDA margin* for both North America and Europe increased, in line with the performance in the previous quarters and materially improved from a year ago.

6.3.2 Patient Care

For the quarter, *Patient Care* adjusted EBITDA* and adjusted EBITDA margin* stood at $9.4M and 18.8%, respectively, compared to $9.1M and 18.5% for the same period in 2024. The increase in both measures was mainly due to pricing initiatives, favorable product mix on certain projects versus last year and lower material costs, partially offset by higher selling expenses.

6.4 NET FINANCE COSTS

The Corporation's finance costs relate mainly to interest expenses incurred on credit facilities and leases, amortization of deferred financing fees, general bank charges and realized and unrealized foreign exchange gains or losses pertaining to financial instruments. The Corporation uses its credit facilities to manage working capital, capital expenditures and to finance business acquisitions.

For the quarter, net finance costs were $3.5M compared to $2.3M for the same period in 2024. Interest on long-term debt decreased by $1.4M when compared to 2024 due to the reduced balance of debt and a reduction in variable interest rates. Net finance costs were unfavorably impacted by a foreign currency gain of $0.4M compared to a gain of $2.8M in 2024, most of which was unrealized in nature.

6.5 INCOME TAXES

For the quarter, an income tax expense of $5.2M was recorded on earnings before income taxes of $17.7M, representing an effective tax rate of 29.6%, compared to an income tax expense of $3.8M and an effective tax rate of 24.4% for the same period in 2024. The variance in income tax expense and effective tax rates are the results of the impact of a different profit allocation coming from countries in which the Corporation operates which are taxable at varying rates, the non-deductible expenses and valuation allowances adjustments.

* Non-IFRS measures are described and reconciled in sections 3 and 6.

6.6 NET EARNINGS AND ADJUSTED NET EARNINGS

in thousands of dollars, except number of shares and per-share amounts	Q1 2025	Q1 2024
Net earnings[1]	**$12,479**	$11,629
Strategic initiatives expenses	**4,670**	5,299
Other expenses (incomes)	**773**	(1,191)
Income tax related to strategic initiatives and other expenses[2]	**(1,406)**	(1,404)
Adjusted net earnings*[1]	**$16,516**	$14,333
In $ per share		
Diluted net earnings[1]	**$0.17**	$0.16
Strategic initiatives and other expenses net of income tax[2]	**0.06**	0.04
Adjusted net earnings*[1]	**$0.23**	$0.20
Diluted weighted average number of shares	**71,868,735**	71,213,393

* Non-IFRS measures are described in section 3 and reconciled in this section.
1. The Q1 2024 amounts reflect adjustments made between net finance costs and other comprehensive income, as detailed and explained in Section 7.
2. Income tax is calculated at the statutory rate in the country where each expense has been incurred.

For the quarter, net earnings were $12.5M or $0.17 per share on a diluted basis, compared to $11.6M or $0.16 per share for the same period in 2024. The increase in net earnings was mainly due to higher adjusted EBITDA* and lower strategic initiative expenses, partially offset by higher finance costs and net income tax expense.

For the quarter, adjusted net earnings* were $16.5M or $0.23 per share on a diluted basis, compared to $14.3M or $0.20 per share for the same period in 2024.

7. Summary of Quarterly Results

Selected financial information for the last eight quarters is presented in the following table.

in thousands of dollars, except per-share amounts	Total Trailing 12 months	2025 Q1	2024 Q4	2024 Q3	2024 Q2	2024 Q1	2023 Q4	2023 Q3	2023 Q2
Revenue	$878,550	**$220,232**	$223,340	$213,634	$221,344	$209,444	$216,839	$210,094	$198,396
Gross Margin	37.5%	**37.8%**	37.7%	37.0%	37.5%	36.0%	34.3%	34.5%	33.8%
Operating Income	$87,654	**$21,238**	$21,772	$22,040	$22,604	$17,721	$19,843	$20,622	$16,226
Adjusted EBITDA*	$167,196	**$40,647**	$42,867	$41,737	$41,945	$34,681	$35,105	$34,484	$29,272
Adjusted EBITDA Margin*	19.0%	**18.5%**	19.2%	19.5%	19.0%	16.6%	16.2%	16.4%	14.8%
Net earnings[1]	$49,360	**$12,479**	$14,333	$11,165	$11,383	$11,629	$10,959	$12,054	$8,789
Net earnings per share - diluted[1]	$0.69	**$0.17**	$0.20	$0.16	$0.16	$0.16	$0.16	$0.18	$0.14
Dividend declared per share	$0.531	**$0.135**	$0.135	$0.131	$0.130	$0.130	$0.130	$0.130	$0.130

* Non-IFRS measures are described and reconciled in section 3.
1 As a result of the change in the presentation of a financial instrument between net finance costs and other comprehensive income, Q1, Q2 and Q3 2024 figures were restated. The impact on Q1 figures were ($0.8M) on net finance costs and $0.2M on income tax expense, for net impact on earnings of $0.6M. The impact on Q2 figures were ($0.6M) on net finance costs and $0.2M on income tax expense, for net impact on earnings of $0.4M. The impact on Q3 figures were $2.5M on net finance costs and ($0.7M) on income tax expense, for net impact on earnings of ($1.9M).

The Corporation experiences seasonal variations in its business. In terms of revenues, excluding the impact of acquisitions and divestitures, the first half of the year is typically weaker than the second half of the year.

* Non-IFRS measures are described and reconciled in sections 3 and 6.

8. Financial Position

8.1 CAPITAL RESOURCES

The Corporation believes its cash flows from operating activities, combined with its available short-term capital resources, will enable it to support its growth strategy, working capital requirements and planned capital expenditures.

The credit facilities are available for general corporate purposes and for financing business acquisitions. Under the revolving facility, the Corporation is required, among other conditions, to respect certain covenants on a consolidated basis. Management reviews compliance with these covenants in conjunction with quarterly filing requirements under its revolving facility. All covenants were met as at March 31, 2025.

in thousands of dollars	**March 31, 2025**	December 31, 2024
Total amount available under the revolving facility	**$450,000**	$450,000
Amount drawn under the revolving facility	**(231,080)**	(239,112)
Outstanding letters of credit	**(3,389)**	(3,301)
Available credit facilities*	**$215,531**	$207,587
Cash and cash equivalents	**39,151**	35,242
Available funds*	**$254,682**	$242,829
Current assets	**$325,356**	$325,721
Current liabilities	**180,441**	179,747
Working capital*	**$144,915**	$145,974
Ratio of current assets to current liabilities	**1.80**	1.81

* Non-IFRS measures are described in section 3 and reconciled in this section.

8.2 NET DEBT

As at March 31, 2025, the Corporation had a net debt* position of $249.5M, compared to $262.7M as of December 31, 2024. The decrease in net debt* of $13.2M is mainly driven by a reimbursement on the revolving facility of $8.0M, combined with increased cash and cash equivalents.

in thousands of dollars	**March 31, 2025**	December 31, 2024
Amount drawn under the revolving facility	**$231,080**	$239,112
Notes payable related to business acquisitions	**2,271**	2,472
Outstanding letters of credit	**3,389**	3,301
Lease liabilities	**51,924**	53,088
Total debt*	**$288,664**	$297,973
Less: Cash and cash equivalents	**(39,151)**	(35,242)
Net debt*	**$249,513**	$262,731
Trailing twelve months adjusted EBITDA*	**167,196**	161,230
Ratio of net debt to adjusted EBITDA*	**1.49**	1.63

* Non-IFRS measures are described in section 3 and reconciled in this section·

* Non-IFRS measures are described and reconciled in sections 3 and 8.

9. Liquidity

in thousands of dollars	Q1 2025	2024
Cash flows related to operating activities before net changes in non-cash operating items	**$29,037**	$23,830
Net changes in non-cash operating items	**2,222**	2,702
Cash flows related to operating activities	**31,259**	26,532
Cash flows related to investing activities	**(4,165)**	2,381
Cash flows related to financing activities	**(23,676)**	(29,580)
Unrealized foreign exchange impact on cash held in foreign currencies	**491**	266
Net change in cash	**$3,909**	$(401)

9.1 OPERATING ACTIVITIES

For the quarter, cash flows related to operating activities before net changes in non-cash operating items reached $29.0M, versus $23.8M for the same period of 2024, mainly explained by higher EBITDA* generated combined with lower income taxes paid. Net changes in non-cash operating items increased liquidity by $2.2M, compared to an increase of $2.7M a year earlier. The increase in 2025 was driven by higher contribution from inventory and deferred revenues, reduced trade receivables and higher trade payables. As a result, cash generated from operating activities in Q1 2025 stood at $31.3M, compared to $26.5M for the same period in 2024.

9.2 INVESTING ACTIVITIES

For the quarter, cash flow used in investing activities was $4.2M compared to cash generated of $2.4M in 2024, mostly due to the disbursement of $4.7M for fixed and intangible assets in 2025, comparable to $3.8M in 2024 combined with the proceed from the divestitures of Van-Action and Freedom Motors operations.

9.3 FINANCING ACTIVITIES

For the quarter, cash used in financing activities was $23.7M compared to $29.6M in 2024. The variation is mainly explained by a reimbursement on the revolving facility of $7.5M compared to $13.5M in 2024. The Corporation also paid $1.1M more leases compared to last year and paid $1.5M less in interest.

9.4 DIVIDENDS

The aggregate monthly dividends declared in the first quarter of 2025 totaled $9.6M, compared to $9.2M for the same period of 2024, mainly explained by the increased dividend yield year-over-year. As at March 31, 2025, 71,402,507 shares were issued and outstanding, compared to 70,951,059 as at March 31, 2024.

9.5 STOCK OPTIONS

As at May 7, 2025, 4,259,611 stock options were outstanding with exercise prices ranging from $11.06 to $22.28.

* Non-IFRS measures are described and reconciled in sections 3 and 6.

10. Governance

In compliance with the Canadian Securities Administrators' Regulation 52-109, the Corporation has filed certifications signed by the President and Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") that, among other things, report on disclosure controls and procedures ("DC&P") and the design of internal controls over financial reporting ("ICFR").

DC&P are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the CEO and the CFO, on a timely basis to ensure appropriate decisions can be made regarding public disclosure.

ICFR are processes designed to provide reasonable assurance regarding the reliability of financial reporting and compliance with GAAP of the Corporation's consolidated financial statements.

There have been no significant changes in our ICFR during the period covered by this MD&A that have materially affected, or are reasonably likely to materially affect, the Corporation's ICFR.

11. Material Accounting Policies and Estimates

Accounting Estimates and Judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Important judgements made by management when applying accounting policies that have the most significant impact on amounts recognized in the consolidated financial statements are the determination of cash-generating units ("CGU"), the identification of operating segments and the determination of foreign operations' functional currencies.

Assumptions and estimate uncertainties that have a significant risk of resulting in a material adjustment are the evaluation of the worldwide deferred income tax balances and income tax expense. Judgements such as interpretations of laws, treaties and regulations in each jurisdiction are also required by management in determining the deferred income tax balances and income tax expense. Other areas involving assumptions and estimate uncertainties include the estimation of the fair value of assets and liabilities acquired during business acquisitions, the determination of the warranty, the inventory obsolescence provisions, the capitalization of intangible assets and the measurement of lease obligations.

12. Risks and Uncertainties

Savaria is engaged in an industry exposed to various risks and uncertainties. The Corporation's operating results and financial position could be adversely affected by each of the risks and uncertainties described in its 2024 annual Management Discussion and Analysis Report, which are incorporated herein by reference:

- Economic Conditions
- Operating Results
- Financing
- Acquisitions
- Currency Fluctuations
- Market and Competition
- Catastrophic Events, Natural Disasters, Severe Weather and Disease
- Healthcare Reimbursement
- Property Rights
- Credit Risk
- Interest Rates Fluctuations
- Price Variation
- Dependence on Key Personnel
- Dependence on Key Distributors
- Dependence on Key Suppliers
- Laws and Regulations
- Product Liability
- Litigation
- Information Systems and Cybersecurity

13. Environmental, Social and Governance ("ESG") Values

As a global leader within the accessibility industry, Savaria is committed to minimizing its environmental footprint and upholding the highest social and governance standards. We believe that promoting environmentally and socially responsible behaviour across our organization is key to achieving sustainable growth and long-term value creation.

By delivering products and solutions that promote accessibility, health, and wellness, improving operational efficiencies and resource usage, and engaging our employees and stakeholders, we'll create a stronger, more resilient business that will continue to be an industry leader while delivering positive social change.

We recognize this work requires long-term vision, planning, and collaboration, yet also must be grounded in clear actions and an ongoing commitment to transparency.

To that end, on April 30, 2025 Savaria published its ESG report for the fiscal year ended December 31, 2024. Through this report, Savaria discloses its strategy and initiatives on ESG matters that are important to its stakeholders, and where it sees an opportunity to have a positive and meaningful influence. The 2024 ESG report can be found under the investor relations section of our website at savaria.com.

14. Outlook

Savaria's fiscal 2025 forecast projects revenue of approximately $925M, with an adjusted EBITDA margin* between 17% and 20%. We anticipate revenue growth of 5-8%, driven by volume and price increases, new product launches, and favorable foreign exchange effects across the *Accessibility* and *Patient Care* segments. However, given the current macro environment and potential tariff impacts, we have tempered our growth expectations.

Despite these geopolitical uncertainties, the completion of *Savaria One* positions us well to sustain profitability. Structural improvements have enhanced production capacity, increased operational efficiencies, and generated meaningful cost savings through streamlined procurement.

* Non-IFRS measures are described and reconciled in sections 3 and 6.

As one of the global leaders in the accessibility industry with extensive operations in Canada and the United States, Savaria is assessing its supply chain and evaluating and implementing strategies to optimize its North American manufacturing footprint. These efforts aim to maintain competitiveness and ensure continued service for our valued dealer partners.

The above-mentioned outlook is a "forward-looking statement" within the meaning of the securities laws of Canada and subject to the Corporation's disclosure statement.

2025

SAVARIA CORPORATION

Interim Condensed Consolidated Financial Statements

As at March 31, 2025

(Unaudited and not reviewed by the Corporation's independent auditors)

savaria

SAVARIA CORPORATION

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in thousands of Canadian dollars - Unaudited)

	Note	March 31, 2025	December 31, 2024
Assets			
Current assets			
Cash and cash equivalents		**$ 39,151**	$ 35,242
Trade and other receivables		**112,940**	112,441
Income taxes receivable		**3,210**	4,577
Derivative financial instruments	*10*	**8,587**	13,272
Inventories		**146,535**	146,203
Prepaid expenses and other current assets		**14,933**	13,986
Total current assets		**325,356**	325,721
Non-current assets			
Fixed assets		**64,696**	64,660
Right-of-use assets		**49,285**	50,553
Intangible assets		**202,266**	201,557
Goodwill		**439,948**	429,977
Other long-term assets		**868**	867
Deferred tax assets		**41,238**	40,874
Total non-current assets		**798,301**	788,488
Total assets		**$ 1,123,657**	$ 1,114,209
Liabilities			
Current liabilities			
Trade and other payables		**$ 112,161**	$ 110,640
Dividend payable		**3,208**	3,208
Income taxes payable		**5,602**	5,914
Deferred revenues		**37,642**	36,717
Derivative financial instruments	*10*	**4,858**	6,648
Current portion of long-term debt	*4*	**2,052**	2,046
Current portion of lease liabilities		**11,337**	11,066
Provisions		**3,581**	3,508
Liabilities directly associated with the assets held for sale		**-**	-
Total current liabilities		**180,441**	179,747
Non-current liabilities			
Long-term debt	*4*	**229,444**	237,488
Lease liabilities		**40,587**	42,022
Long-term provisions		**6,124**	5,916
Other long-term liabilities		**19,891**	18,514
Derivative financial instruments	*10*	**2,419**	2,302
Deferred tax liabilities		**52,754**	52,953
Total non-current liabilities		**351,219**	359,195
Total liabilities		**531,660**	538,942
Equity			
Share capital	*5*	**560,002**	560,002
Contributed surplus		**11,486**	11,283
Accumulated other comprehensive income (loss)		**9,788**	(3,901)
Retained earnings		**10,721**	7,883
Total equity		**591,997**	575,267
Total liabilities and equity		**$ 1,123,657**	$ 1,114,209

The accompanying notes are an integral part of the interim unaudited condensed consolidated financial statements.

INTERIM CONSOLIDATED STATEMENTS OF EARNINGS

(in thousands of Canadian dollars, except per share amounts and numbers of shares - Unaudited)

	Note	Three months ended March 31, 2025	2024[1]
Revenue	*11*	**$ 220,232**	$ 209,444
Cost of sales		**136,981**	134,050
Gross profit		**83,251**	75,394
Operating expenses			
Selling and administrative expenses		**56,570**	53,565
Strategic initiatives expenses	*6*	**4,670**	5,299
Other expenses (incomes)	*7*	**773**	(1,191)
Total operating expenses		**62,013**	57,673
Operating income		**21,238**	17,721
Net finance costs	*8*	**3,522**	2,341
Earnings before income tax		**17,716**	15,380
Income tax expense		**5,237**	3,751
Net earnings		**$ 12,479**	$ 11,629
Earnings per share:			
Basic		**$ 0.17**	$ 0.16
Diluted		**$ 0.17**	$ 0.16
Basic weighted average number of shares		**71,402,507**	70,944,948
Diluted weighted average number of shares		**71,868,735**	71,213,393

The accompanying notes are an integral part of the interim unaudited condensed consolidated financial statements.

[1]The Q1 2024 amounts reflect adjustments made between net finance costs and other comprehensive income, as detailed and explained in note 8.

(in thousands of Canadian dollars - Unaudited)

	Three months ended March 31,	
	2025	2024[1]
Net earnings	**$ 12,479**	$ 11,629
Items that are or may be reclassified subsequently to net earnings:		
Net change in derivative financial instruments designated as cash flow hedges, net of tax	**94**	(1,617)
Net change on translation of financial statements of foreign operations, net of tax	**15,600**	2,730
Costs of hedging reserve on net change in cross-currency swaps designated in net investment hedges, net of tax	**52**	48
Net change in net investment hedges, net of tax	**(2,057)**	(3,023)
Other comprehensive income (loss)	**13,689**	(1,862)
Total comprehensive income	**$ 26,168**	$ 9,767

The accompanying notes are an integral part of the interim unaudited condensed consolidated financial statements.

[1]The Q1 2024 amounts reflect adjustments made between net finance costs and other comprehensive income, as detailed and explained in note 8.

SAVARIA CORPORATION

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Periods of three months ended March 31, 2025 and 2024

(in thousands of Canadian dollars, except numbers of shares - Unaudited)

	2025					
	Share capital					
	Number	Amount	Contributed surplus	Accumulated other comprehensive income (loss)	Retained earnings	Total equity
Balance at January 1	**71,402,507**	**$ 560,002**	**$ 11,283**	**$ (3,901)**	**$ 7,883**	**$ 575,267**
Net earnings	**-**	**-**	**-**	**-**	**12,479**	**12,479**
Stock-based compensation, net of tax	-	-	203	-	-	**203**
Dividends on common shares (Note 5)	-	-	-	-	(9,641)	**(9,641)**
Total transactions with shareholders	**-**	**-**	**203**	**-**	**(9,641)**	**(9,438)**
Other comprehensive income	**-**	**-**	**-**	**13,689**	**-**	**13,689**
Balance at March 31	**71,402,507**	**$ 560,002**	**$ 11,486**	**$ 9,788**	**$ 10,721**	**$ 591,997**

	2024					
	Share capital					
	Number	Amount	Contributed surplus	Accumulated other comprehensive income (loss)[1]	Retained earnings (deficit)[1]	Total equity
Balance at January 1	**70,942,726**	**$ 551,355**	**$ 9,570**	**$ (8,748)**	**$ (3,177)**	**$ 549,000**
Net earnings	**-**	**-**	**-**	**-**	**11,629**	**11,629**
Stock-based compensation, net of tax	-	-	590	-	-	**590**
Exercise of stock options (Note 5)	8,333	128	(20)	-	-	**108**
Dividends on common shares (Note 5)	-	-	-	-	(9,216)	**(9,216)**
Total transactions with shareholders	**8,333**	**128**	**570**	**-**	**(9,216)**	**(8,518)**
Other comprehensive income (loss)	**-**	**-**	**-**	**(1,862)**	**-**	**(1,862)**
Balance at March 31	**70,951,059**	**$ 551,483**	**$ 10,140**	**$ (10,610)**	**$ (764)**	**$ 550,249**

The accompanying notes are an integral part of the interim unaudited condensed consolidated financial statements.

[1]The Q1 2024 amounts reflect adjustments made between net finance costs and other comprehensive income, as detailed and explained in note 8.

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of Canadian dollars - Unaudited)

	Note	Three months ended March 31, 2025	2024[1]
Cash flows related to operating activities			
Net earnings		**$ 12,479**	$ 11,629
Adjustments for:			
Depreciation of fixed assets		**2,735**	2,137
Depreciation of right-of-use assets		**3,162**	2,681
Amortization of intangible assets		**7,341**	7,444
Income tax expense		**5,237**	3,751
Gain on business divestitures	*7*	**-**	(1,323)
Stock-based compensation		**728**	590
Non-cash movements on financial instruments	*8*	**242**	420
Loss on the sale and write-off of fixed assets and intangible assets		**103**	5
Unrealized foreign exchange gain		**(228)**	(1,301)
Interest and amortization of financing costs	*8*	**3,640**	4,869
Income tax paid		**(6,402)**	(7,072)
		29,037	23,830
Net changes in non-cash operating items	*9*	**2,222**	2,702
Net cash related to operating activities		**31,259**	26,532
Cash flows related to investing activities			
Business acquisitions	*4*	**(210)**	(202)
Proceeds from business divestitures		**746**	6,404
Proceeds from sale of fixed assets		**47**	11
Additions to fixed assets		**(2,294)**	(2,031)
Increase in intangible assets		**(2,454)**	(1,801)
Net cash related to investing activities		**(4,165)**	2,381
Cash flows related to financing activities			
Repayment of lease obligations		**(4,023)**	(2,901)
Net change in the revolving facility	*4*	**(7,511)**	(13,544)
Interest paid		**(2,501)**	(4,027)
Proceeds from exercise of stock options	*5*	**-**	108
Dividends paid on common shares	*5*	**(9,641)**	(9,216)
Net cash related to financing activities		**(23,676)**	(29,580)
Unrealized foreign exchange impact on cash held in foreign currencies		**491**	266
Net change in cash		**3,909**	(401)
Cash - Beginning of the period		**35,242**	54,076
Cash - End of the period		**$ 39,151**	$ 53,675

The accompanying notes are an integral part of the interim unaudited condensed consolidated financial statements.

[1]The Q1 2024 amounts reflect adjustments made between net finance costs and other comprehensive income, as detailed and explained in note 8.

1. Nature of Activities and Corporate Information

Savaria Corporation is domiciled in Canada. The interim condensed consolidated financial statements of the Corporation as at and for the periods ended March 31, 2025 and 2024 comprise the accounts of Savaria Corporation and its wholly owned subsidiaries (together referred to as the "Corporation" or as "Savaria"). Savaria is one of the global leaders in the accessibility industry. It provides accessibility solutions for the elderly and physically challenged to increase their comfort, their mobility and their independence. The activities of the Corporation are divided into two reportable segments: *Accessibility* and *Patient Care* as described in Note 11 - Reportable segments.

The common shares of the Corporation are listed under the trading symbol "SIS" on the Toronto Stock Exchange.

2. Basis of Presentation

A) Statement of Compliance

The interim condensed consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board applicable to the prepration of interim financial statements, including IAS 34.

These interim condensed financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Corporation and the notes thereto for the year ended on December 31, 2024. These interim condensed financial statements have not been the subject of a review or an audit by the Corporation's auditors; they were approved by the Board of Directors on May 7, 2025.

B) Use of Estimates and Judgements

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Important judgements made by management when applying accounting policies that have the most significant impact on amounts recognized in the consolidated financial statements are the determination of cash-generating units ("CGU"), the identification of operating segments and the determination of foreign operations' functional currencies.

Assumptions and estimate uncertainties that have a significant risk of resulting in a material adjustment are the determination of worldwide deferred income tax balances and income tax expense. Judgements such as interpretations of laws, treaties and regulations in each jurisdiction are required by management in determining deferred income tax balances and income tax expense. Other areas involving assumptions and estimate uncertainties include the estimation of the fair value of assets and liabilities acquired during business acquisitions, the determination of the warranty, inventory obsolescence provisions, the capitalization of intangible assets and the measurement of lease obligations.

3. Material Accounting Policies

The interim condensed consolidated financial statements have been prepared following the same accounting policies used in the audited annual consolidated financial statements for the year ended December 31, 2024.

The accounting policies have been applied consistently by the Corporation's entities and to all periods presented in these interim condensed consolidated financial statements, unless otherwise indicated.

(Tabular amounts are expressed in thousands of Canadian dollars, except share data - Unaudited)

4. Long-term Debt

	March 31, 2025	December 31, 2024
Revolving Facility [1]	**$ 229,225**	$ 237,062
Notes payable related to business acquisitions	**2,271**	2,472
	$ 231,496	**$ 239,534**
Less: Current portion	**2,052**	2,046
	$ 229,444	**$ 237,488**

[1] Net of deferred financing costs of $1,855,000 (2024 - $2,050,000).

Revolving Facility

The Corporation has a revolving facility as follows:

- Amount available of $450,000,000, in Canadian dollar (or in US dollar, euro or British pound equivalent);
- The revolving facility comes to maturity on August 15, 2027;
- Interest is payable on a monthly basis. The applicable interest rate on the revolving facility is based on the leverage level assigned to the Corporation. According to the current credit rating, the rate is either the CORRA or SOFR, plus 1.75% or 1.55%, respectively, or the Canadian prime rate or US base rate, plus 0.45%, before the impact of the cross-currency swaps;
- As at March 31, 2025, amounts of $7,452,000 in CA dollars and $155,804,000 in US dollars were drawn on the revolving facility.

Reconciliation of movements of long-term debt to cash flows arising from financing activities:

	2025
Balance at January 1	**$ 239,534**
Net change in the revolving facility	**(7,511)**
Note paid related to a previous business acquisition	**(210)**
Amortization of deferred financing costs	**195**
Impact of the change in foreign exchange rates	**(512)**
	$ 231,496
Less: Current portion	**2,052**
Balance at March 31	**$ 229,444**

(Tabular amounts are expressed in thousands of Canadian dollars, except share data - Unaudited)

5. Share Capital

A) Share Capital and Contributed Surplus

During the first three months of 2025, the Corporation did not issue common shares following the exercise of stock options (2024-8,333 at an average price of $12.86 per share). In 2024, the exercises resulted in an increase in share capital of $128,000 and a decrease in contributed surplus of $20,000. The average closing price of the Corporation's shares on the exercise dates of options exercised during 2024 was $16.57.

The following table presents the reconciliation of outstanding stock options as at March 31, 2025 and 2024:

		2025		2024
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Outstanding at January 1	**3,949,590**	**$ 16.75**	3,117,450	$ 15.86
Granted	**424,521**	**19.38**	627,571	15.53
Exercised	**-**	**-**	(8,333)	12.86
Expired and forfeited	**(111,167)**	**17.70**	(65,833)	15.52
Outstanding at March 31	**4,262,944**	**$ 16.99**	**3,670,855**	**$ 15.82**

The value of each option is estimated at the date of grant using the Black-Scholes option pricing model with the following assumptions:

	2025
Number of options granted	**424,521**
Risk-free interest rate[1]	**3.15%**
Expected dividend yield[1]	**2.78%**
Expected volatility[1]	**30%**
Expected term	**4-6 years**

[1] Weighted average

The estimated fair value of the options granted in 2025 is $2,100,000 (2024-$2,000,000). This amount is amortized and charged to earnings as the rights to exercise are vested.

B) Dividends

The following dividends were declared and paid by the Corporation:

	Three months ended March 31, **2025**	2024
Dividends declared	**$ 9,641**	$ 9,216
Amount declared per share in cents	**13.5**	13.0
Dividends paid	**$ 9,641**	$ 9,216
Amount paid per share in cents	**13.5**	13.0

6. Strategic Initiatives Expenses

In 2023, the Corporation initiated a two-year strategic plan called *Savaria One* to optimize sales and operations. Strategic initiative expenses are predominantly related to consulting fees.

(Tabular amounts are expressed in thousands of Canadian dollars, except share data - Unaudited)

7. Other Expenses (Incomes)

Other expenses (incomes) encompass items of financial performance which the Corporation believes should be separately identified in the consolidated statement of earnings to assist in understanding its operating financial performance.

Business acquisition costs pertain to transaction costs incurred related to business purchases (successful or not). Business integration costs pertain to costs incurred to integrate newly acquired businesses.

Optimization program costs pertain to costs incurred in order to improve the efficiency of operations activities across the business and is comprised mainly of employee termination expenses.

On February 1, 2024, Savaria sold all of the issued and outstanding shares of its wholly-owned subsidiaries, Van-Action and Freedom Motors, to Driverge Canada, a subsidiary of Driverge Vehicle Innovations, LLC. The net gain of $1,323,000 from these divestitures was recorded as other income within the caption as of March 31, 2024.

	Three months ended March 31,	
	2025	2024
Business acquisition costs	**$ -**	$ 132
Business integration costs	**513**	-
Optimization program costs	**260**	-
Gain on business divestitures	**-**	(1,323)
	$ 773	**$ (1,191)**

8. Net Finance Costs

	Three months ended March 31,	
	2025	2024
Interest on long-term debt	**$ 2,838**	$ 4,234
Interest on lease liabilities	**580**	424
Other interests and bank charges	**84**	15
Amortization of deferred financing costs and accretion expenses	**222**	211
Interest income	**(82)**	(187)
Net gain on foreign currency exchange	**(362)**	(2,776)
Net loss on financial instruments	**220**	397
Ineffective portion of changes in fair value of net investment hedges	**22**	23
	$ 3,522	**$ 2,341**

As a result of the change in the presentation of a financial instrument between net finance costs and other comprehensive income, Q1 2024 figures were restated. The impact on Q1 figures were ($0.8M) on net finance costs and $0.2M on income tax expense, for net impact on earnings of $0.6M. The impact on the accumulated other comprehensive income was ($0.8M) and on the deferred tax assets was $0.2M.

(Tabular amounts are expressed in thousands of Canadian dollars, except share data - Unaudited)

9. Net Changes in Non-cash Operating Items

	Three months ended March 31, 2025	2024
Trade and other receivables	**$ 212**	$ 2,516
Inventories	**1,228**	(3,289)
Prepaid expenses and other current assets	**(786)**	91
Other long-term assets	**8**	(25)
Trade and other payables	**34**	2,852
Deferred revenues	**704**	40
Provisions	**29**	(49)
Other long-term liabilities	**793**	566
	$ 2,222	**$ 2,702**

10. Derivative Financial Instruments

The table below shows the presentation of the derivative financial instruments in the Statement of Financial Position.

	March 31, 2025	December 31, 2024
Current assets		
Cross-currency swaps	**$ 8,587**	$ 13,272
	$ 8,587	**$ 13,272**
Current liabilities		
Foreign exchange contracts	**$ 4,456**	$ 6,648
Cross-currency swaps	**402**	-
	$ 4,858	**$ 6,648**
Non-current liabilities		
Foreign exchange contracts	**$ -**	$ 148
Cross-currency swaps	**2,419**	2,154
	$ 2,419	**$ 2,302**

The only financial instruments of the Corporation that are measured at fair value on a recurring basis subsequent to their initial recognition are derivative financial instruments and all of these derivative financial instruments are Level 2. The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds). The fair value of interest rate swaps and cross-currency swaps is calculated as the present value of estimated future cash flows over the remaining term of the contracts and based on market data (primarily yield curves, interest rates, and exchange rates for cross-currency swaps). Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Corporation's subsidiary or counterparty when appropriate. The carrying amount of cash and cash equivalents, trade and other receivables, trade and other payables approximate their fair values due to their short-term maturities. The carrying amount of the long-term debt approximate its fair values since it bears interest at variable rates. As at March 31, 2025, a net loss of $220,000 was recorded in financial expenses related to the change in fair value through earnings of these instruments.

(Tabular amounts are expressed in thousands of Canadian dollars, except share data - Unaudited)

11. Reportable Segments

Information About the Reportable Segments

For the purpose of financial reporting, the business is structured into two reportable segments according to their respective addressable markets. The Accessibility segment includes the designing, manufacturing, distribution and installation of a wide portfolio of accessibility products including commercial and home elevators, stairlifts, platform lifts and dumbwaiters, for personal, residential or commercial applications. It also sells a wide variety of wheelchair accessible motor vehicles and adapted for people with special needs. The Patient Care segment includes the designing, manufacturing, distribution, and installation of ceiling lifts, patient transfer slings and accessories, floor lifts, standing aids, bathing equipment, medical beds, therapeutic support surfaces and pressure management products used in healthcare facilities and in home care settings.

The Corporation's management assesses the performance of the reportable segments based on revenue and adjusted EBITDA. Adjusted EBITDA is defined as earnings before net finance costs, taxes, depreciation and amortization, strategic initiatives expenses, other expenses (incomes) and stock-based compensation expense. Head office costs pertain to salaries and costs related to centralized functions, such as finance and legal, which are not allocated to segments.

				Three months ended March 31,
	Accessibility	**Patient Care**	**Head Office**	**Total**
2025				
Revenue	**$ 170,155**	**$ 50,077**	**$ -**	**$ 220,232**
Adjusted EBITDA	**$ 34,182**	**$ 9,420**	**$ (2,955)**	**$ 40,647**
Stock-based compensation	**-**	**-**	**728**	**728**
Strategic initiatives expenses	**3,138**	**467**	**1,065**	**4,670**
Other expenses (incomes)	**610**	**163**	**-**	**773**
Depreciation and amortization expense	**10,154**	**2,114**	**970**	**13,238**
Operating income	**$ 20,280**	**$ 6,676**	**$ (5,718)**	**$ 21,238**
2024				
Revenue	$ 160,403	$ 49,041	$ -	**$ 209,444**
Adjusted EBITDA	$ 27,551	$ 9,069	$ (1,939)	**$ 34,681**
Stock-based compensation	-	-	590	**590**
Strategic initiatives expenses	4,435	565	299	**5,299**
Other expenses (incomes)	(1,551)	-	360	**(1,191)**
Depreciation and amortization expense	9,162	2,008	1,092	**12,262**
Operating income	**$ 15,505**	**$ 6,496**	**$ (4,280)**	**$ 17,721**

(Tabular amounts are expressed in thousands of Canadian dollars, except share data - Unaudited)

11. Reportable Segments (continued)

Disaggregation of Revenue and Information by Geographical Areas

	Three months ended March 31,		
	Accessibility	**Patient Care**	**Total**
2025			
Revenue by region			
Canada	**$ 22,730**	**$ 17,801**	**$ 40,531**
United States	**72,901**	**29,410**	**102,311**
Europe and rest of world	**74,524**	**2,866**	**77,390**
	$ 170,155	**$ 50,077**	**$ 220,232**
Timing of revenue recognition			
Goods transferred at a point in time	**$ 153,771**	**$ 44,819**	**$ 198,590**
Services provided over time	**16,384**	**5,258**	**21,642**
	$ 170,155	**$ 50,077**	**$ 220,232**
2024			
Revenue by region			
Canada	$ 18,009	$ 15,475	**$ 33,484**
United States	64,109	30,965	**95,074**
Europe and rest of world	78,285	2,601	**80,886**
	$ 160,403	**$ 49,041**	**$ 209,444**
Timing of revenue recognition			
Goods transferred at a point in time	$ 145,121	$ 43,374	**$ 188,495**
Services provided over time	15,282	5,667	**20,949**
	$ 160,403	**$ 49,041**	**$ 209,444**

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