

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2025

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File No. 001-31540

FLEXIBLE SOLUTIONS INTERNATIONAL, INC.

(Exact name of registrant as specified in its charter)

Alberta (State or other jurisdiction of incorporation or organization)	71-1630889 (Employer Identification No.)
6001 54 Ave. Taber, Alberta, Canada (Address of Principal Executive Office)	T1G 1X4 Zip Code

Registrant's telephone number, including Area Code: (403) 223-2995

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, \$0.001 par value	FSI	NYSE American

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark if the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act): Yes No

As of June 30, 2025 the aggregate market value of the Company's common stock held by non-affiliates was \$41,033,724 based on the closing price for shares of the Company's common stock on the NYSE American for that date.

As of April 15, 2026, the Company had 12,737,498 issued and outstanding shares of common stock.

Documents incorporated by reference: None

The terms "Flexible", "Company", "we", "us", and "our" are used to refer to Flexible Solutions International, Inc. and its subsidiaries, unless the context otherwise requires.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K for the year ended December 31, 2025 (“Annual Report”), including the Audited Consolidated Financial Statements, contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, without limitation, those statements relating to development of new products, our financial condition and our ability to increase distribution of our products. Forward-looking statements can be identified by the use of forward-looking terminology, such as “may,” “will,” “should,” “expect,” “anticipate,” “estimate,” “continue,” “plans,” “intends,” or other similar terminology. These forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is anticipated or forecasted in these forward-looking statements due to numerous factors, including, but not limited to, our ability to generate or obtain sufficient working capital to continue our operations, changes in demand for our products, the timing of customer orders and deliveries and the impact of competitive products and pricing. In addition, such statements could be affected by general industry and market conditions and growth rates, and general domestic and international economic conditions.

Although we believe that the expectations reflected in these forward-looking statements are reasonable and achievable, such statements involve risks and uncertainties and no assurance can be given that our actual results will be consistent with these forward-looking statements. Except as otherwise required by applicable securities laws, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason, after the date this Annual Report is filed with the Securities and Exchange Commission.

PART I

Item 1. Description of Business

We were incorporated as Flexible Solutions Ltd., a British Columbia corporation on January 26, 1991. On May 12, 1998, we merged Flexible Solutions Ltd. into Flexible Solutions International, Inc., a Nevada corporation. In connection with this merger, we issued 7,000,000 shares of common stock to the former shareholders of Flexible Solutions Ltd. in exchange for all of the outstanding shares of Flexible Solutions Ltd.

In June 2004 we purchased 52 U.S. and 139 International Patents (“IP”), as well as a 56,780 sq. ft. manufacturing plant near Chicago, Illinois from the bankruptcy estate of Donlar Corporation (“Donlar”) for \$6.15 million. The IP we acquired from Donlar relates to water-soluble chemicals (“TPAs”) which prevent corrosion and scaling in water pipes used in the petroleum, chemical, utility and mining industries. TPAs are also used to enhance fertilizers and improve crop yields and as additives for household laundry detergents, consumer care products and pesticides. These assets are held in our wholly owned subsidiary, NanoChem Solutions Inc. (“NanoChem”), which has become our largest revenue generator.

In October 2018, we purchased 65% of ENP Investments, LLC, a manufacturing and distribution company active in the areas of golf, turf and ornamental agriculture products.

In January 2019, we purchased 50% of a Florida based limited liability company engaged in international sales of fertilizer additives. This purchase is accounted for as an equity accounted investment.

In 2019, we changed our corporate domicile from Nevada to Alberta, Canada.

In January 2020, ENP Realty, LLC became a wholly owned subsidiary of ENP Investments, LLC and was renamed to ENP Mendota, LLC. ENP Mendota owns a building that the Company occupies.

In June 2022, ENP Peru Investments, LLC became a subsidiary with NanoChem owning 91.67% and ENP Investments, LLC owning 8.33% of ENP Peru. In 2023, NanoChem purchased the remaining 8.33% of shares to become sole owner. ENP Peru was previously accounted for under the equity method however, from 2022 it is consolidated into the financial statements from the date control was obtained. ENP Peru owns a building the Company occupies.

In June 2023, 317 Mendota LLC (“317 Mendota”) was created to purchase real estate and the Company has 80% ownership with an unrelated party (NCI) owning the remaining 20%. The Company occupied part of the building owned by 317 Mendota and rented out the remaining portion of the building. In October 2025, the Company sold the building and will continue to rent from the new owners (see Note 6). For financial reporting purposes, the assets, liabilities and earnings of 317 Mendota are consolidated into these financial statements. The NCI’s ownership interest in 317 Mendota is recorded in non-controlling interests in these consolidated financial statements.

In 2025, Pana Chem Solutions Inc. (“Pana Chem”) set up a manufacturing facility in Panama for production of NanoChem Legacy products. Shipments started in January 2026.

We operate through a number of wholly-owned subsidiaries which are further discussed in Note 1 to the consolidated financial statements included as part of this report. Unless otherwise indicated, all references to our business include the operations of these subsidiaries.

Our website is www.flexiblesolutions.com

Our Products

Thermal Polyaspartates (“TPAs”)

We manufacture TPAs in our Peru, Illinois plant using a thermal polymerizing process. The multiple variants produced are optimized for individual market verticals and sold for end use or through distribution.

TPAs for Oilfields. TPAs are used to reduce scale and corrosion in various “topside” water systems. They are used in place of traditional phosphonate and other products when biodegradability is required by environmental regulations. We have the ability to custom manufacture TPAs depending on the specific water conditions associated with any oil well. TPAs are also used in fracking fluids to reduce the toxicity while maintaining equal function.

TPAs for the Agricultural Industry. TPAs have the ability to reduce fertilizer crystallization before, during and after application and can also delay crystal formation between fertilizer and minerals present in the soil. Once crystallized, fertilizer and soil minerals are not able to provide plant nourishment. As a result, in select conditions the use of TPAs either blended with fertilizer or applied directly to crops can increase yields significantly. TPAs are designated for crop nutrient management programs and should not be confused with crop protection and pesticides or other agricultural chemical applications. Depending on the application, TPA products are marketed under a variety of brands including EX-10TM, AmisorbTM, LYNXTM, MAGNETTM, AmGroTM and VOLTTM. Markets of significance include corn, wheat, soybeans, rice, potatoes, sugar beets, cotton, tomatoes, almonds and other high value per acre crops.

TPAs for Irrigation. The crystallization prevention ability of TPAs can also be useful in select irrigation conditions. By reducing calcium carbonate scale propagation, TPAs can prevent early plugging of drip irrigation ports, reduce maintenance costs and lengthen the life of equipment. TPAs compete with acid type scale removers, but have the advantage of a positive yield effect on the plant, as well as an easier deployment formulation with liquid fertilizers when used as part of a “fertigation” program. Our TPAs for drip irrigation scale prevention are marketed and sold through the same channels as TPAs used by the agricultural industry.

TPAs in Cleaning Products. TPA can replace polyacrylates in cleaning products which is valuable because TPA is biodegradable while polyacrylates are not. In a cleaning product formulation, TPA prevents the re-deposition of dirt onto the surfaces to be cleaned allowing dirt to be rinsed away.

Nitrogen Conservation Products for Agriculture. We manufacture and sell two conservation products and mixtures used for slowing nitrogen loss from fields. One significant loss route for nitrogen fertilizer is enzymatic degradation by bacteria naturally present in soil. Our product, SUN 27TM inhibits the bacterial action and keeps the nitrogen fertilizer available for plant growth. The second significant nitrogen loss mechanism is de-nitrification. This is also caused by bacterial activity in soil resulting in oxygen being stripped from the fertilizer leaving nitrogen gas. The gas can’t be used by the plants and escapes into the atmosphere. Our N Savr 30TM product uses the most effective active ingredients available to combat this cause of fertilizer loss. We sell SUN 27TM and N Savr 30TM through distributors in North and South America under our trade names and under private labels.

Food and Nutritional Materials

We have installed custom equipment used to produce food and nutritional materials. All the ingredients we produce are custom products for specific clients and are confidential. We anticipate that this market vertical will grow over time.

HEATSAVR®

Our studies indicate that approximately 70% of the energy lost from a swimming pool occurs through water evaporation. HEATSAVR® is a chemical product for use in swimming pools and spas that forms a thin, transparent layer on the water's surface. The transparent layer slows the evaporation of water, allowing the water to retain a higher temperature for a longer period of time and thereby reducing the energy required to maintain the desired temperature of the water. We have received reports from our commercial customers documenting energy savings of between \$2,400 and \$6,000 per year when using HEATSAVR®.

In outdoor pools, the HEATSAVR® also provides convenience compared to pool blankets. It is often inconvenient to use conventional pool blankets since a pool blanket must be removed and stored before the pool can be used. Pool blankets do not provide any energy savings when not on the pool. Conversely, HEATSAVR® eliminates the need to install, remove and store the blanket and works 24 hours a day. In addition, the use of HEATSAVR® in an indoor pool results in even greater energy savings since indoor pool locations use energy not only to heat the pool water, but also to air condition the pool environment. By slowing the transfer of heat and water vapor from the pool to the atmosphere of the pool enclosure, less energy is required to maintain a pool at the desired temperature and there is a reduced load on the air-conditioning system. We also manufacture and sell products which automatically dispense HEATSAVR® into commercial size swimming pools or spas at the rate of one ounce per 400 sq. ft. of water surface per day.

WATERSAVR®

This product utilizes a patented variation of our HEATSAVR technology to reduce water evaporation in reservoirs, potable water storage tanks, livestock watering ponds, aqueducts, canals and irrigation ditches. WATERSAVR may also be used for lawn and turf care and potted and bedding plants.

WATERSAVR® is sold in granulated form and can be applied by hand, by fully automated scheduled metering, or by an automatic dispenser.

Tests have indicated that WATERSAVR®:

- Reduces daily water evaporation as much as 54%;
- Reduces monthly water evaporation as much as 37%;
- Is odorless;
- Has no effect on invertebrates or vertebrates;
- Has no anticipated effect on any current drinking water treatment processes; and
- Is biodegradable.

We have one part-time employee involved in the sales and marketing of WATERSAVR®.

Principal Customers

The table below presents our revenue resulting from purchases by our major customers for the periods presented.

	Year Ended December 31,	
	2025	2024
Company A	\$ 8,817,331	\$ 8,050,462
Company B	\$ 6,169,277	\$ 8,235,394
Company C	\$ 3,068,991	\$ 4,493,455

Customers with balances greater than 10% of our receivable balances as of each of the fiscal year ends presented are shown in the following table:

	Year Ended December 31,	
	2025	2024
Company A	\$ 6,652,611	\$ 5,377,088
Company B	\$ 980,638*	\$ 1,866,645
Company D	\$ 170,148*	\$ 1,189,157
Company E	\$ 1,866,972	\$ -

*Less than 10% in that period

Competition

TPAs: Our TPA products have direct competition with Lanxess AG (spun out of Bayer AG) (“Lanxess”), a German manufacturer of TPAs, which uses a patented process different from ours. We have cross-licensed each other’s processes and either company can use either process for the term of the patents involved. We believe that Lanxess has approximately the same production capacity and product costs as we do. We believe that we can compete effectively with Lanxess by offering excellent customer service in oilfield sales, superior distributor support in the agricultural marketplace and flexibility due to our relative size. In addition, we intend to continue to seek market niches that are not the primary targets of Lanxess. There are other competitors based in Asia.

Our TPA products face indirect competition from other chemicals in every market in which we are active. For purposes of oilfield scale prevention, phosphonates, phosphates and molibdonates provide the same effect. For crop enhancement, increased fertilizer levels can serve as a substitute for TPAs. In irrigation scale control, acid washes are our prime competitor. Notwithstanding the above, we believe our competitive advantages include:

- Biodegradability compared to competing oil field chemicals;
- Cost-effectiveness for crop enhancement compared to increased fertilizer use; and
- Environmental considerations, ease of formulation and increased crop yield opportunities in irrigation scale markets.

HEATSAVR®: Although we are aware of two other companies that manufacture products that compete with HEATSAVR®, we believe our products are more effective and safer. We maintain fair pricing equal to or lower than our competitors and protect our intellectual property carefully. Our products are expected to maintain market share in the competitive pool market. HEATSAVR® also competes with plastic pool blanket products. However, we believe that HEATSAVR® is more effective and convenient than pool blankets.

WATERSAVR®: WATERSAVR® competes with solid and floating covers. We believe our WATERSAVR® product is superior for the following reasons: it is less expensive, requires little capital expenditure to deploy and can be started and stopped as water scarcity escalates or declines. As water conservation is an important priority throughout the world, numerous researchers are working to develop solutions that may compete with, or be superior to, WATERSAVR.

Manufacturing

Our 56,780 sq. ft. facility in Peru, Illinois manufactures our food and nutritional materials and TPA products. Raw materials for production are sourced from various manufacturers throughout the world and we believe they are available in sufficient quantities for any increase in sales. Raw materials for TPA are, however, derived from crude oil and are subject to price fluctuations related to world oil prices.

Our HEATSAVR® products and dispensers are made from chemicals, plastics and other materials and parts that are readily available from multiple suppliers. We have never experienced any shortage in the availability of raw materials and parts for these products and we do not have any long term supply contracts for any of these items. We have these products made by outside parties without long term contracts.

Our WATERSAVR® products are manufactured by a third party. We are not required to purchase any minimum quantity of this product.

In January 2020, ENP Investments, LLC acquired a 100% interest in ENP Realty, LLC and the 14,000 sq. ft. manufacturing facility in Mendota, Illinois owned by this entity.

In 2025, Pana Chem Solutions Inc. started building out a manufacturing facility in Panama for the production of NanoChem Legacy products, such as agricultural and polymer products, increasing capacity for food and nutritional materials in Peru, IL. Shipments started leaving the Panama facility in January 2026.

In 2025, ENP Investments, LLC signed a lease for manufacturing space with the new owners of the building formerly held by 317 Mendota, LLC. See Notes 3 and 6.

Government Regulations

TPAs: In the industrial oil field and agricultural markets, we have received government approval for all TPAs currently sold.

Nitrogen Conservation Products: We have obtained all government approvals for the markets in which we sell these products.

HEATSAVR®: Chemical products for use in swimming pools are covered by a variety of governmental regulations in all countries where we sell these products. These regulations cover packaging, labeling, and product safety. We believe our products are in compliance with these regulations.

WATERSAVR®: Our WATERSAVR® product is subject to regulation in most countries, particularly for agricultural and drinking water uses. We do not anticipate that governmental regulations will be an impediment to marketing WATERSAVR® because the components in WATERSAVR® have historically been used in agriculture for many years for other purposes. Nevertheless, we may require county or state approval on a case by case basis to sell WATERSAVR® in the United States for agricultural and drinking water uses. We have received National Sanitation Foundation approval for the use of WATERSAVR® in drinking water in the United States.

Proprietary Rights

Our success is dependent, in part, upon our proprietary technology. We rely on a combination of patent, copyright, trademarks, trade secrets and nondisclosure agreements to protect our proprietary technology. We hold several US patents with various expiry dates. We have applied for additional patents in new areas of invention and may extend these patents, if granted to other jurisdictions. There can be no assurance that our patent applications will be granted or that any issued patent will be upheld as valid or prevent the development of competitive products, which may be equivalent to or superior to our products. We have not received any claims alleging infringement of the intellectual property rights of others, but there can be no assurance that we may not be subject to such claims in the future.

Research and Development

We spent \$615,292 during the year ended December 31, 2025 and \$329,952 during year ended December 31, 2024 on research and development.

Employees

As of December 31, 2025, we had 78 employees, including one officer, 20 sales and customer support personnel, and 57 manufacturing personnel. None of our employees are represented by a labor union and we have not experienced any work stoppages to date.

Item 1A. Risk Factors

This Form 10-K contains forward-looking information based on our current expectations. Because our actual results may differ materially from any forward-looking statements made by us, this section includes a discussion of important factors that could affect our future operations and result in a decline in the market price of our common stock.

We have in the past incurred significant operating losses and may not sustain profitability in the future.

We have in the past experienced operating losses and negative cash flow from operations. If our revenues decline, our results of operations and liquidity may be materially and adversely affected. If we experience slower than anticipated revenue growth or if our operating expenses exceed our expectations, we may not be profitable. We may not remain profitable in future periods.

Fluctuations in our operating results may cause our stock price to decline.

Given the nature of the markets in which we operate, we cannot reliably predict future revenues and profitability. Changes in competitive, market and economic conditions may cause us to adjust our operations. A high proportion of our costs are fixed, due in part to our sales, research and development and manufacturing costs. Thus, small declines in revenue could disproportionately affect our operating results. Factors that may affect our operating results and the market price of our common stock include:

- Demand for and market acceptance of our products;
- Competitive pressures resulting in lower selling prices;
- Adverse changes in the level of economic activity in regions in which we do business;
- Adverse changes in the oil and gas industry on which we are particularly dependent;
- Changes in the portions of our revenue represented by various products and customers;
- Delays or problems in the introduction of new products;
- The announcement or introduction of new products, services or technological innovations by our competitors;
- Variations in our product mix;
- The timing and amount of our expenditures in anticipation of future sales;
- Increased costs of raw materials or supplies;
- Changes in the volume or timing of product orders; and
- Uncertainty in the tariff rates being charged.

Our operations are subject to seasonal fluctuation.

Our TPA business is the least seasonal, however there is a small increase in the spring related to inventory building for the crop season in the United States and a small slowdown in December as oilfield customers run down stock in advance of year end, but otherwise, there is little seasonal variation. We believe we are able to adequately respond to these seasonal fluctuations by reducing or increasing production as needed. The foregoing is equally true of our nitrogen conservation products. The use of our swimming pool products increases in summer months in most markets and results in our sales from January to June being greater than in July through December. Markets for our WATERSAVR® product are also seasonal, depending on the wet versus dry seasons in particular countries. We attempt to sell into a variety of countries with different seasons on both sides of the equator in order to minimize seasonality.

Interruptions in our ability to purchase raw materials and components may adversely affect our profitability.

We purchase certain raw materials and components from third parties pursuant to purchase orders placed from time to time. Because we do not have guaranteed long-term supply arrangements with our suppliers, any material interruption in our ability to purchase necessary raw materials or components could have a material adverse effect on our business, financial condition and results of operations.

Our WATERSAVR® product has not proven to be a revenue producing product and we may never recoup the cost associated with its development.

The marketing efforts of our WATERSAVR® product may result in continued losses. We introduced our WATERSAVR® product in June 2002 and, to date, we have delivered quantities for testing by potential customers, but only a few customers have ordered the product for commercial use. This product can achieve success only if it is ordered in substantial quantities by commercial customers who have determined that the water saving benefits of the product exceed the costs of purchase and deployment of the product. We can offer no assurance that we will receive sufficient orders of this product to achieve profits or cover the expenses incurred to manufacture and market this product. We have received National Sanitation Foundation approval for the use of WATERSAVR® in drinking water in the United States. Nevertheless, we may require county or state approval on a case by case basis. We expect to spend \$50,000 on the marketing and production of our WATERSAVR® product in fiscal 2026.

If we do not introduce new products in a timely manner, our products could become obsolete and our operating results would suffer.

Without the timely introduction of new products and enhancements, our products could become obsolete over time, in which case our revenue and operating results would suffer. The success of our new product offerings will depend upon several factors, including our ability to:

- Accurately anticipate customer needs;
- Innovate and develop new products and applications;
- Successfully commercialize new products in a timely manner;
- Price our products competitively and manufacture and deliver our products in sufficient volumes and on time; and
- Differentiate our products from our competitors' products.

In developing any new product, we may be required to make a substantial investment before we can determine the commercial viability of the new product. If we fail to accurately foresee our customers' needs and future activities, we may invest heavily in research and development of products that do not lead to significant revenues.

We are dependent upon certain customers.

Among our current customers, we have identified three that are sizable enough that the loss of any one would be significant. Any loss of one or more of these customers could result in a substantial reduction in our revenues. See "Principal Customers" in Item 1 of this report for further details.

Economic, political and other risks associated with international sales and operations could adversely affect our sales.

Revenues from shipments made outside of the United States accounted for approximately 16% of our revenues in the year ended December 31, 2025, 24% in the year ended December 31, 2024 and 21% in the year ended December 31, 2023. Since we sell our products worldwide, our business is subject to risks associated with doing business internationally. We anticipate that revenues from international operations will continue to represent a sizable portion of our total revenue. Accordingly, our future results could be harmed by a variety of factors, including:

- Changes in foreign currency exchange rates;
- Changes in a country's or region's political or economic conditions, particularly in developing or emerging markets;
- Longer payment cycles of foreign customers and difficulty of collecting receivables in foreign jurisdictions;
- Trade protection measures and import or export licensing requirements;
- Differing tax laws and changes in those laws;
- Difficulty in staffing and managing widespread operations;
- Differing laws regarding protection of intellectual property; and
- Differing regulatory requirements and changes in those requirements.

We are subject to credit risk and may be subject to substantial write-offs if one or more of our significant customers default on their payment obligations to us.

We currently allow our major customers between 30 and 90 days to pay for each sale. This practice, while customary, presents an accounts receivable write-off risk if one or more of our significant customers defaulted on their payment obligations to us. Any such write-off, if substantial, would have a material adverse effect on our business and results of operations. See Item 1 of this Report for further details.

Our products can be hazardous if not handled, stored and used properly; litigation related to the handling, storage and safety of our products would have a material adverse effect on our business and results of operations.

Some of our products are flammable and must be stored properly to avoid fire risk. Additionally, some of our products may cause irritation to a person's eyes if they are exposed to the concentrated product. Although we label our products to warn of such risks, our sales could be reduced if our products were considered dangerous to use or if they are implicated in causing personal injury or property damage. We are not currently aware of any circumstances in which our products have caused harm or property damage to consumers. Nevertheless, litigation regarding the handling, storage and safety of our products would have a material adverse effect on our business and results of operations.

Our failure to comply with environmental regulations may create significant environmental liabilities and force us to modify our manufacturing processes.

We are subject to various federal, state and local environmental laws, ordinances and regulations relating to the use, storage, handling and disposal of chemicals. Under such laws, we may become liable for the costs of removal or remediation of these substances that have been used by our consumers or in our operations. Such laws may impose liability without regard to whether we knew of, or caused, the release of such substances. Any failure by us to comply with present or future regulations could subject us to substantial fines, suspension of production, alteration of manufacturing processes or cessation of operations, any of which could have a material adverse effect on our business, financial condition and results of operations.

Our failure to protect our intellectual property could impair our competitive position.

While we own certain patents and trademarks, some aspects of our business cannot be protected by patents or trademarks. Accordingly, in these areas there are few legal barriers that prevent potential competitors from copying certain of our products, processes and technologies or from otherwise entering into operations in direct competition with us.

Our products may infringe on the intellectual property rights of others, and resulting claims against us could be costly and prevent us from making or selling certain products.

Third parties may seek to claim that our products and operations infringe on their patents or other intellectual property rights. We may incur significant expense in any legal proceedings to protect our proprietary rights or to defend infringement claims by third parties. In addition, claims of third parties against us could result in awards of substantial damages or court orders that could effectively prevent us from making, using or selling our products in the United States or internationally.

A product liability claim for damages could materially and adversely affect our financial condition and results of operations.

Our business exposes us to potential product liability risks. There are many factors beyond our control that could lead to liability claims, including the failure of our products to work properly and the chance that consumers will use our products incorrectly or for purposes for which they were not intended. There can be no assurance that the amount of product liability insurance that we carry will be sufficient to protect us from product liability claims. A product liability claim in excess of the amount of insurance we carry could have a material adverse effect on our business, financial condition and results of operations.

Our ongoing success is dependent upon the continued availability of certain key employees.

Our business would be adversely affected if the services of Daniel B. O'Brien ceased to be available to us since we currently do not have any other employee with an equivalent level of expertise in and knowledge of our industry. If Mr. O'Brien no longer served as our President and Chief Executive Officer, we would have to recruit one or more new executives, with no real assurance that we would be able to engage a replacement executive with the required skills on satisfactory terms. The market for skilled employees is highly competitive, especially for employees in the fields in which we operate. While our compensation programs are intended to attract and retain qualified employees, there can be no assurance that we will be able to retain the services of all our key employees or a sufficient number to execute our plans, nor can there be any assurances that we will be able to continue to attract new employees as required.

Item 1B. Unresolved Staff Comments.

Not applicable.

Item 1C. Cybersecurity.

Companies such as ours face a variety of risks, including financial reporting, legal, credit, liquidity, operational, health, safety and cybersecurity risks. The Board believes an effective risk management system will (1) identify the material risks that we face in a timely manner, (2) communicate necessary information with respect to material risks to senior executives and, as appropriate, to our directors (3) implement or oversee implementation of appropriate and responsive risk management and mitigation strategies consistent with our risk profile, and (4) integrate risk management into our decision-making.

Our Board oversees risk management after receiving briefings from advisors and also based on its own analysis and conclusions regarding the adequacy of our risk management processes. The Board continuously evaluates and manages material risks including geopolitical and enterprise risks, financial risks, environmental risks, health and safety risks and cybersecurity risks.

George Murray, our Operations Manager, is responsible for assessing and managing cybersecurity risks. Mr. Murray is experienced in assessing and managing cybersecurity risks due to his direct oversight of our internet and digital communications contractors.

To date we have not experienced any cybersecurity threats and any risks from cybersecurity threats have not materially affected, and are not reasonably likely to materially affect, our business strategy, results of operations, or financial condition.

Item 2. Properties.

We own a 61,200 sq. ft. facility and a 56,780 sq. ft. facility in Peru, Illinois along with a 14,000 sq. ft facility in Mendota, Illinois which was used to manufacture our TPA line of products. In 2017, we purchased a 3,000 sq ft building on 1 acre of land in Taber, Alberta. In 2023, the Company purchased an 80% share in 317 Mendota, a real estate company that was established to purchase a manufacturing building in Mendota, IL. The building sold in October 2025 but ENP Investments still occupies part of this manufacturing space under a lease with the new owners. See Note 3 to the consolidated financial statements for specific financial obligations relating to these leases.

Item 3. Legal Proceedings.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchase of Equity Securities.

Our common stock is traded on the NYSE American under the symbol "FSI".

As of April 15, 2026, we had approximately 3,400 shareholders.

The Company declared a special dividend of \$0.10 per share, paid on May 28, 2025 to shareholders of record on May 19, 2025 for a total payment of \$1,274,753.

The Company declared a special dividend of \$0.10 per share, paid on May 16, 2024 to shareholders of record on April 30, 2024 for a total payment of \$1,255,053.

None of our officers or directors, nor any of our principal shareholders purchased, on our behalf, any shares of our common stock from third parties either in a private transaction or as a result of purchases in the open market during the years ended December 31, 2025 and 2024.

As of April 15, 2026, we had 12,737,498 outstanding shares of common stock. The following table lists additional shares of our common stock, including shares issuable upon the exercise of options which have not yet vested, which may be issued as of April 15, 2026:

	Number Of Shares	Note Reference
Shares issuable upon exercise of options granted to our officers, directors, employees, consultants, and third parties	1,684,000	A

A. Options are exercisable at prices ranging from \$2.00 to \$7.00 per share. See Item 11 of this report for more information concerning these options.

Item 6. Selected Financial Data

Not applicable.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Results of Operations

We have four product lines.

The first is a chemical ("EWCP") used in swimming pools and spas. The product forms a thin, transparent layer on the water's surface. The transparent layer slows the evaporation of water, allowing the water to retain a higher temperature for a longer period of time thereby reducing the energy required to maintain the desired temperature of the water. A modified version of EWCP can also be used in reservoirs, potable water storage tanks, livestock watering pods, canals, and irrigation ditches for the purpose of reducing evaporation.

The second product, biodegradable polymers ("TPAs"), is used by the petroleum, chemical, utility and mining industries to prevent corrosion and scaling in water piping. TPAs can also be used to increase biodegradability in detergents and in the agriculture industry to increase crop yields by enhancing fertilizer uptake.

The third product line is nitrogen conservation products used for the agriculture industry. These products decrease the loss of nitrogen fertilizer after initial application and allows less fertilizer to be used. These products are made and sold by the Company's TPA division.

The Company also manufactures food grade products that are made and sold by the TPA division.

Material changes in the line items in our Statement of Income and Comprehensive Income for the year ended December 31, 2025 as compared to the same period last year, are discussed below:

Item	Increase (I) or Decrease (D)	Reason
Sales		
EWCP products	D	Decreased customer orders.
TPA products	D	Decreased customer orders.
Research and development services	I	Due to a successful project that completed in 2025.
Gross profit as a percentage of sales	D	Increased costs associated with scaling up new products.
Gain on sale of property	I	Sale of 317 Mendota building in 2025.
Loss on write-down of property held for sale	I	A loss occurred in 2025 when the Company put property up sale with an asking price below holding value.
Professional fees	I	Increase in accounting fees related to tax filings combined with an increase in audit fees and consulting related to growth of the Company.
Research and development	I	New product development.
Selling, general, and administrative	I	Increase related to new operating leases along with overall growth of the Company and various one time costs associated with the Company's new location in Panama.
Income from investments	D	Sale of 30.1% of Florida based LLC in 2024 reduced our Company's portion of the profits.
Impairment of investment	I	One time loss as the Company's management deemed the investment in Lygos impaired in 2025.
Loss on sale of investment	D	One time loss on the sale of 30.1 % of Florida based LLC in 2024.
Proceeds from sale of investment	D	Sale that occurred 2024 did not reoccur in 2025.

The factors that will most significantly affect future operating results will be:

- The sale price of crude oil which is used in the manufacture of aspartic acid we import from China. Aspartic acid is a key ingredient in our TPA product. If tariffs increase and if relief is not available, some customers may experience price increases;
- Activity in the oil and gas industry, as we sell our TPA product to oil and gas companies; and
- Drought conditions, since we also sell our TPA product to farmers.

Other than the foregoing we do not know of any trends, events or uncertainties that have had, or are reasonably expected to have, a material impact on our revenues or expenses.

Capital Resources and Liquidity

Our sources and (uses) of cash for the years ended December 31, 2025 and 2024 are shown below:

	2025	2024
Cash provided by operating activities	\$ 3,782,193	\$ 5,568,346
Maturities of term deposits	1,014,766	289,325
Proceeds from sale of property	3,750,000	-
Purchase of property, equipment and leaseholds	(4,373,903)	(4,964,736)
Return of investment	500,000	-
Distributions received from equity investment	-	510,710
Proceeds from sale of investment	-	2,000,000
Proceeds of short-term lines of credit, net	96,227	241,680
Repayment of long-term debt	(4,318,188)	(1,517,500)
Proceeds from long-term debt	-	2,162,412
Dividends paid	(1,274,753)	(1,255,053)
Distributions to non-controlling interest	(991,708)	(794,722)
Proceeds from shares issued upon exercise of stock options	550,960	184,850
Effect of foreign exchange rate change on cash	259,099	188,160

We have sufficient cash resources to meet our future commitments and cash flow requirements for the coming year. As of December 31, 2025, our working capital was \$22,173,434 (2024 - \$22,714,190) and we have no substantial commitments or capital requirements that require significant outlays of cash over the coming fiscal year.

Other than as disclosed above, we do not know of any trends, demands, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, our liquidity increasing or decreasing in any material way.

Other than as disclosed above, we do not know of any significant changes in our expected sources and uses of cash.

We do not have any commitments or arrangements from any person to provide us with any equity capital.

Critical Accounting Policies and Estimates

Allowances for Doubtful Accounts Receivable. We evaluate our accounts receivable to determine if they will ultimately be collected. This evaluation includes significant judgments and estimates, including an analysis of receivables aging and a review of large accounts. If, for example, the financial condition of a customer deteriorates resulting in an impairment of its ability to pay or a pattern of late payment develops, an allowance may be required.

Provisions for Inventory Obsolescence. We may need to record a provision for estimated obsolescence and shrinkage of inventory. Our estimates consider the cost of inventory, the estimated market value, the shelf life of the inventory and our historical experience. If there are changes to these estimates, provisions for inventory obsolescence may be necessary.

Valuation of Goodwill and Intangible Assets. We review goodwill and intangible assets to determine if there are qualitative factors which exist which may indicate that the carrying value exceeds the fair value. Our estimates are based upon an assessment of market conditions and expected future cash flows to be generated by the reporting units and related assets. If factors exist which indicate that the carrying value exceeds the fair value, an impairment charge against the goodwill and intangible assets could be required.

Useful Lives of Property, Equipment and Leaseholds and Intangible Assets. We amortize and depreciate our property, equipment and leaseholds and intangible assets based on their estimated useful lives. We estimate the expected useful lives based on the expected term over which the asset is expected to continue to generate economic benefit for our company. If there are differences between the expected useful lives and the actual useful lives of the asset, impairment of property, equipment and leaseholds or intangible assets could be necessary.

Revenue Recognition. The Company recognizes revenue when control of promised goods is transferred to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods. Revenue is recognized at a point in time, generally upon shipment, as this represents the transfer of the risk of loss and control to the carrier (F.O.B. shipping point). Shipping and handling activities are accounted for as fulfillment costs.

Stock Based Compensation The fair value of share-based payments are subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Since the Black-Scholes option pricing model relies on highly subjective assumptions, any changes to these inputs can significantly impact the estimated value.

Income Taxes Tax interpretations, regulations and legislation in the various jurisdictions in which the Company operates are subject to change and interpretation. As such, income taxes are subject to measurement uncertainty. Assessing the recoverability of deferred tax assets requires the Company to make estimates related to the expectations of future taxable income and the application of existing tax laws. To the extent that future taxable income differs significantly from estimates, the ability of the Company to realize deferred tax assets could be impacted.

Privately Held Equity Investments The recoverability of privately held equity investments requires management to make certain assumptions and estimates. Changes in these assumptions and estimates could result in materially different results.

See Note 2 to the consolidated financial statements included as part of this report for a description of our significant accounting policies.

Recent Accounting Pronouncements

We have evaluated recent accounting pronouncements issued since January 1, 2025 and determined that the adoption of these recent accounting pronouncements will not have a material effect on our consolidated financial statements.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Not applicable.

Item 8. Financial Statements and Supplementary Data.

**FLEXIBLE SOLUTIONS INTERNATIONAL, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the board of directors of Flexible Solutions International Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Flexible Solutions International Inc. ("the Company") as of December 31, 2025 and 2024, the related consolidated statements of income and comprehensive income, stockholders' equity and cash flows for the years then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the two years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

Critical audit matters are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/Assure CPA, LLC

We have served as the Company's auditor since 2024.

Spokane, Washington
PCAOB ID: 444
April 15, 2026

FLEXIBLE SOLUTIONS INTERNATIONAL, INC.
Consolidated Balance Sheets
As at December 31
(U.S. Dollars)

	December 31, 2025	December 31, 2024
Assets		
Current		
Cash	\$ 6,625,748	\$ 7,631,055
Term deposits (Note 2)	1,386,150	2,400,916
Accounts receivable, net (Note 4)	12,621,901	11,696,098
Inventories (Note 5)	10,541,637	10,890,195
Prepaid expenses and deposits	1,326,637	1,957,593
Property held for sale	425,000	-
Total current assets	32,927,073	34,575,857
Property, equipment and leaseholds, net (Note 6)	16,142,092	17,146,184
Right of use assets, net (Note 3)	3,790,687	-
Intangible assets (Note 7)	1,960,000	2,120,000
Long term deposits (Note 8)	2,423,928	167,882
Investments (Note 9)	2,054,324	3,424,381
Goodwill (Note 7)	2,534,275	2,534,275
Total Assets	\$ 61,832,379	\$ 59,968,579
Liabilities		
Current		
Accounts payable	\$ 2,221,411	\$ 2,049,425
Accrued liabilities	501,175	403,157
Deferred revenue	124,944	78,655
Income taxes payable	5,061,317	5,137,290
Short-term lines of credit (Note 10)	2,148,386	2,052,159
Current portion of lease liabilities (Note 3)	299,445	-
Current portion of long term debt (Note 11)	396,961	2,140,981
Total current liabilities	10,753,639	11,861,667
Right of use liabilities, net (Note 3)	3,923,938	-
Net deferred income tax liability (Note 12)	277,417	122,019
Long term debt (Note 11)	4,044,699	6,618,867
Total Liabilities	18,999,693	18,602,553
Commitments and Contingencies (Notes 10 and 11)		
Stockholders' Equity		
Capital stock (Note 15)		
Authorized: 50,000,000 common shares with a par value of \$0.001 each; 1,000,000 preferred shares with a par value of \$0.01 each		
Issued and outstanding:		
12,722,498 (December 31, 2024: 12,515,532) common shares	12,723	12,516
Capital in excess of par value	19,895,935	18,789,915
Accumulated other comprehensive loss	(347,887)	(606,986)
Accumulated earnings	19,348,668	19,836,527
Total stockholders' equity – controlling interest	38,909,439	38,031,972
Non-controlling interests (Note 16)	3,923,247	3,334,054
Total Stockholders' Equity	42,832,686	41,366,026
Total Liabilities and Stockholders' Equity	\$ 61,832,379	\$ 59,968,579

See Notes to Consolidated Financial Statements.

FLEXIBLE SOLUTIONS INTERNATIONAL, INC.
Consolidated Statements of Income and Comprehensive Income
For the Years Ended December 31
(U.S. Dollars)

	2025	2024
Sales		
Products	\$ 36,015,058	\$ 38,234,860
Research and development services (Note 2)	2,500,000	-
Total Sales	38,515,058	38,234,860
Cost of sales	25,975,730	24,994,961
Gross profit	12,539,328	13,239,899
Operating expenses		
Gain on sale of property (Note 6)	(1,209,939)	-
Loss on write-down of property held for sale (Note 6)	183,423	-
Professional fees	866,477	798,387
Research and development	615,292	329,952
Selling, general, and administrative	3,642,608	2,852,929
Wages, administrative salaries and benefits	3,840,413	3,743,225
Total operating expenses	7,938,274	7,724,493
Operating income	4,601,054	5,515,406
Non-operating income (expense)		
Income from investments (Note 9)	129,943	245,631
Impairment of investment	(1,000,000)	-
Loss on sale of investment (Note 9)	-	(353,076)
Loss on lease termination	-	(41,350)
Interest expense	(613,852)	(610,265)
Interest income	150,233	196,454
Total non-operating expense	(1,333,676)	(562,606)
Income before income tax	3,267,378	4,952,800
Income taxes (Note 12)		
Deferred income tax expense	(155,399)	(146,767)
Current income tax expense	(744,184)	(704,444)
Net income	2,367,795	4,101,589
Net income attributable to non-controlling interests	(1,580,901)	(1,063,060)
Net income attributable to controlling interest	\$ 786,894	\$ 3,038,529
Income per share (basic) (Note 13)	\$ 0.06	\$ 0.24
Income per share (diluted) (Note 13)	\$ 0.06	\$ 0.24
Weighted average number of common shares (basic)	12,648,728	12,454,957
Weighted average number of common shares (diluted)	13,594,610	12,680,668
Other comprehensive income:		
Net income	\$ 2,367,795	\$ 4,101,589
Unrealized gain on foreign currency translations	259,099	188,160
Total comprehensive income	2,626,894	4,289,749
Comprehensive income – non-controlling interest	(1,580,901)	(1,063,060)
Comprehensive income attributable to controlling interest	\$ 1,045,993	\$ 3,226,689

See Notes to Consolidated Financial Statements.

FLEXIBLE SOLUTIONS INTERNATIONAL, INC.
Consolidated Statements of Cash Flows
For Years Ended December 31
(U.S. Dollars)

	2025	2024
Operating activities		
Net income for the year	\$ 2,367,795	\$ 4,101,589
Adjustments to reconcile net income to net cash:		
Stock based compensation	555,267	673,130
Depreciation and amortization	1,965,688	1,957,476
Non-cash operating lease	432,696	-
Income from investments	(129,943)	(245,631)
Loss on write-down of property held for sale	183,423	-
Impairment of investment	1,000,000	-
Loss on sale of investment	-	353,076
Gain on sale of property	(1,209,939)	-
Deferred income tax expense	155,399	146,767
Changes in assets and liabilities:		
Accounts receivable	(925,803)	(1,853,042)
Inventories	348,558	244,694
Prepaid expenses and deposits	630,956	(416,670)
Long term deposits	(2,256,046)	(159,342)
Accounts payable	595,808	64,833
Accrued liabilities	98,018	119,026
Income taxes payable	(75,973)	652,077
Deferred revenue	46,289	(69,637)
Cash provided by operating activities	3,782,193	5,568,346
Investing activities		
Maturities of term deposits	1,014,766	289,325
Proceeds from sale of property	3,750,000	-
Purchase of property, equipment and leaseholds	(4,373,903)	(4,964,736)
Return of investment	500,000	-
Proceeds of sale of investment	-	2,000,000
Distributions received from equity investment	-	510,710
Cash provided by (used in) investing activities	890,863	(2,164,701)
Financing activities		
Proceeds from short-term lines of credit, net	96,227	241,680
Repayment of long-term debt	(4,318,188)	(1,517,500)
Proceeds from long-term debt	-	2,162,412
Dividends paid	(1,274,753)	(1,255,053)
Distribution to non-controlling interests	(991,708)	(794,722)
Proceeds from shares issued upon exercise of stock options	550,960	184,850
Cash used in financing activities	(5,937,462)	(978,333)
Effect of foreign exchange rate changes on cash	259,099	188,160
Increase (decrease) in cash	(1,005,307)	2,613,472
Cash, beginning of year	7,631,055	5,017,583
Cash, end of year	\$ 6,625,748	\$ 7,631,055
Supplemental disclosure of cash flow information:		
Interest paid	\$ 612,296	\$ 610,625
Supplemental schedule of non-cash financing and investing activities		
Recognition of operating lease liability and right of use assets	\$ 4,087,949	\$ -

See Notes to Consolidated Financial Statements.

FLEXIBLE SOLUTIONS INTERNATIONAL, INC.
Consolidated Statements of Stockholders' Equity
For the Years Ended December 31, 2025 and 2024
(U.S. Dollars)

	<u>Shares</u>	<u>Capital Stock</u>	<u>Capital in Excess of Par Value</u>	<u>Accumulated Earnings</u>	<u>Accumulated Other Comprehensive Income (Loss)</u>	<u>Total</u>	<u>Non- Controlling Interests</u>	<u>Total Stockholders' Equity</u>
Balance December 31, 2023	12,435,532	\$ 12,436	\$ 17,932,015	\$ 18,053,051	\$ (795,146)	\$ 35,202,356	\$ 3,065,716	\$ 38,268,072
Translation adjustment	—	—	—	—	188,160	188,160	—	188,160
Dividends paid	—	—	—	(1,255,053)	—	(1,255,053)	—	(1,255,053)
Net income	—	—	—	3,038,529	—	3,038,529	1,063,060	4,101,589
Shares issued upon exercise of stock options	80,000	80	184,770	—	—	184,850	—	184,850
Distributions to noncontrolling interests	—	—	—	—	—	—	(794,722)	(794,722)
Stock-based compensation	—	—	673,130	—	—	673,130	—	673,130
Balance December 31, 2024	12,515,532	\$ 12,516	\$ 18,789,915	\$ 19,836,527	\$ (606,986)	\$ 38,031,972	\$ 3,334,054	\$ 41,366,026
Translation adjustment	—	—	—	—	259,099	259,099	—	259,099
Dividends paid	—	—	—	(1,274,753)	—	(1,274,753)	—	(1,274,753)
Net income	—	—	—	786,894	—	786,894	1,580,901	2,367,795
Common shares issued upon exercise of stock options	206,966	207	550,753	—	—	550,960	—	550,960
Distributions to noncontrolling interests	—	—	—	—	—	—	(991,708)	(991,708)
Stock-based compensation	—	—	555,267	—	—	555,267	—	555,267
Balance December 31, 2025	12,722,498	\$ 12,723	\$ 19,895,935	\$ 19,348,668	\$ (347,887)	\$ 38,909,439	\$ 3,923,247	\$ 42,832,686

See Notes to Consolidated Financial Statements.

FLEXIBLE SOLUTIONS INTERNATIONAL, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2025 and 2024
(U.S. Dollars)

I. BASIS OF PRESENTATION

These consolidated financial statements (“consolidated financial statements”) include the accounts of Flexible Solutions International, Inc. (the “Company”), its wholly-owned subsidiaries Flexible Fermentation Ltd., NanoChem Solutions Inc. (“NanoChem”), Flexible Solutions Ltd., Flexible Biomass LP, FS Biomass Inc., NCS Deferred Corp., Natural Chem SEZC Ltd. (“Natural Chem”), Pana Chem Solutions Inc. (Pana Chem”), InnFlex Holdings Inc., ENP Peru Investments LLC (“ENP Peru”), its 80% controlling interest in 317 Mendota LLC (“317 Mendota”), and its 65% controlling interest in ENP Investments, LLC (“ENP Investments”) and ENP Mendota, LLC (“ENP Mendota”). All inter-company balances and transactions have been eliminated upon consolidation. The Company was incorporated on May 12, 1998 in the State of Nevada and in 2019 the Company redomiciled into Alberta, Canada.

In 2023, the Company purchased an 80% interest in 317 Mendota, a newly incorporated company established to purchase a large manufacturing building. ENP Investments occupies part of this building, freeing up more space in the building owned by ENP Peru for NanoChem. The remaining 20% non-controlling interest is held by unrelated parties. The manufacturing building was sold in October 2025 and ENP Investments continues to lease the space the Company occupies from the new owner (see Note 3 and 6).

The Company and its subsidiaries develop, manufacture and market specialty chemicals which slow the evaporation of water. One product, HEATSAVR®, is marketed for use in swimming pools and spas where its use, by slowing the evaporation of water, allows the water to retain a higher temperature for a longer period of time and thereby reduces the energy required to maintain the desired temperature of the water in the pool. Another product, WATERSAVR®, is marketed for water conservation in irrigation canals, aquaculture, and reservoirs where its use slows water loss due to evaporation. In addition to the water conservation products, the Company also manufactures and markets water-soluble chemicals utilizing thermal polyaspartate biopolymers (hereinafter referred to as “TPAs”), which are beta-proteins manufactured from the common biological amino acid, L-aspartic. TPAs can be formulated to prevent corrosion and scaling in water piping within the petroleum, chemical, utility and mining industries. TPAs are also used as proteins to enhance fertilizers in improving crop yields and can be used as additives for household laundry detergents, consumer care products and pesticides. The TPA division also manufactures two nitrogen conservation products for agriculture that slows nitrogen loss from fields and has installed custom equipment for production of food and nutritional materials. All the ingredients the Company produces are custom products for specific clients and are confidential. The Company anticipates that this market vertical will grow over time. The Company also manufactures food grade products that are made and sold by the TPA division. The TPA division recognizes research and development income from time to time.

2. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared on a historical cost basis, except where otherwise noted, in accordance with accounting principles generally accepted in the United States applicable to a going concern and reflect the policies outlined below.

(a) Cash and Cash Equivalents.

The Company considers all highly liquid investments purchased with an original or remaining maturity of less than three months at the date of purchase to be cash equivalents. Cash and cash equivalents are maintained with several financial institutions. As of December 31, 2025 and 2024, the Company did not have any cash equivalents.

Certain term deposits previously included in cash and cash equivalents have been reclassified to reflect this policy. Accordingly, the prior year comparative statement of cash flows has been reclassified to present term deposits with original maturities greater than three months within investing activities. These reclassifications had no effect on previously reported net income, total assets, or shareholders' equity.

(b) Term Deposits.

Term deposits with original maturities greater than three months but less than one year are classified as current assets and carried at amortized cost, which approximates fair value. Interest income is recognized on the accrual basis.

At December 31, 2025, the Company had three term deposits that are maintained by commercial banks. The first term deposit is for \$313,225 and matures in February 2026. This deposit pays 3% interest and, if withdrawn before maturity, a penalty may be applied. The second term deposit is for \$752,682, matures in March 2026 and pays interest at a rate of 1.65%. If withdrawn before maturity, the greater of the loss of accrued interest or \$150, plus 1% of the principal shall be levied. The third term deposit is for \$320,243, matures in February 2026 and pays interest at a rate of 3%. If withdrawn before maturity, a penalty may be applied.

(c) Inventories and Cost of Sales.

The Company has three major classes of inventory: completed goods, work in progress and raw materials and supplies. In all classes, inventories are stated at the lower of cost or net realizable value with cost determined using either weighted average cost or the first-in, first-out (FIFO) method, depending on the entity. Cost of sales includes all expenditures incurred in bringing the goods to the point of sale. Inventory costs and costs of sales include direct costs of the raw material, inbound freight charges, warehousing costs, handling costs (receiving and purchasing) and utilities and overhead expenses related to the Company's manufacturing and processing facilities. The Company periodically reviews its inventory for slow-moving or obsolete items and writes down the inventory carrying value to its estimated net realizable value based on assumptions about future demand and market conditions.

The Company accounts for shipping and handling activities as fulfillment costs and shipping and handling charges included in the consolidated statements of income and comprehensive income are as follows:

	Year Ended December 31,	
	2025	2024
Shipping income in product sales	\$ 402,645	\$ 473,843
Shipping costs in cost of sales	\$ 716,132	\$ 895,463

(d) *Allowance for Doubtful Accounts.*

The Company maintains an allowance for expected credit losses at a level management believes is adequate to absorb estimated losses at the balance sheet date. The Company's expected credit losses are determined through a review using historical credit loss experience; changes in asset specific characteristics, current conditions, and reasonable and supportable future forecasts, among other specific account data. The Company develops and documents its methodology to determine its allowance for expected credit losses. Risk characteristics used by the Company may include customer mix, knowledge of customers and general economic conditions of the various local economics, among others. Specific account balances are written off when management determines the amounts to be uncollectible. Management monitors the adequacy of the allowance through quarterly reviews of customer creditworthiness and local economic trends.

(e) *Property, Equipment, and Leaseholds.*

The following assets are recorded at cost and depreciated using the methods and annual rates shown below:

Manufacturing equipment	20% Declining balance
Office equipment	20% Declining balance
Building and improvements	10% Declining balance
Automobiles	Straight-line over 5 years
Technology	Straight-line over 10 years

The Company capitalizes expenditures for improvements that significantly extend the useful life of an asset. The Company recognizes a gain (loss) on a sale of property, equipment, and leaseholds assets based upon the proceeds received on the sale less the net carrying value of the asset. The Company charges expenditures for maintenance and repairs to operations when incurred.

(f) *Impairment of Long-Lived Assets.*

Property, Equipment, Leasehold, and Definite-lived Intangible Assets:

The Company reviews the carrying amount of our property, equipment, leasehold, and definite-lived intangible assets for impairment when events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. We measure recoverability of these assets by comparing the carrying amounts to the future undiscounted cash flows that the assets or asset group are expected to generate. If the carrying value of the assets or asset group are not recoverable, impairment is measured and recognized as the amount by which the carrying value exceeds its fair value. Fair value is generally determined based on discounted future cash flows.

Goodwill and Indefinite-lived Intangible Assets:

Goodwill and indefinite-lived intangible assets are tested for impairment annually by the Company on December 31 or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill is tested for impairment at the reporting unit level using a two-step process which includes a qualitative and quantitative assessment. Indefinite-lived intangible assets are tested for impairment by comparing their fair value to their carrying amount. If the carrying amount exceeds the fair value, an impairment loss is recognized in the period it is identified. The Company determines fair value using appropriate valuation methodologies, including discounted cash flow models and market-based approaches, which incorporate assumptions regarding future performance, growth rates, discount rates, and other relevant factors. Any impairment losses recognized are recorded as an expense in the consolidated statements of income.

(g) *Foreign Currency.*

The functional currency of the Company is the U.S. dollar. The functional currency of three of the Company's subsidiaries is the Canadian dollar. The translation of the Canadian dollar to the reporting currency of the Company, the U.S. dollar, is performed for assets and liabilities using exchange rates in effect at the balance sheet date. Revenue and expense transactions are translated using average exchange rates prevailing during the period. Translation adjustments arising on conversion of the Company's financial statements from the subsidiary's functional currency, Canadian dollars, into the reporting currency, U.S. dollars, are excluded from the determination of income (loss) and are disclosed as other comprehensive income in the consolidated statements of operations and comprehensive income.

Foreign exchange gains and losses relating to transactions not denominated in the applicable local currency are included in operating income (loss) if realized during the year and in comprehensive income (loss) if they remain unrealized at the end of the year.

(h) *Revenue Recognition.*

The Company recognizes revenue when control of promised goods is transferred to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods. Revenue is recognized at a point in time, generally upon shipment, as this represents the transfer of the risk of loss and control to the carrier (F.O.B. shipping point). Shipping and handling activities are accounted for as fulfillment costs.

Returns and Allowances

The Company's historical experience with product returns has been insignificant; accordingly, no allowance for returns is recorded at the balance sheet date.

Deferred Revenue

Deferred revenues consist of products sold to distributors with payment terms greater than the Company's customary business terms due to lack of credit history or operating in a new market in which the Company has no prior experience. The Company defers the recognition of revenue until the criteria for revenue recognition has been met and payments become due or cash is received from these distributors.

(i) *Research and Development Services.*

Income from research and development services is recognized over a period of time as the Company satisfies contractual performance obligations. Costs related to these services are expensed as research and development costs as incurred.

(j) *Stock Issued in Exchange for Services.*

The Company's common stock issued in exchange for services is valued at fair value based upon trading prices of the Company's common stock on the dates the stock is granted. The corresponding expense of the services rendered is recognized over the period that the services are performed.

(k) *Stock-based Compensation.*

Stock-based compensation expense is recognized for equity awards granted to employees, directors and other eligible participants based on the fair value of the awards at the grant date. For stock options, fair value is estimated using an appropriate valuation model such as the Black-Scholes option pricing model. The fair value of stock options is recognized as an expense of the requisite service period, typically the vesting period, using the graded-vesting method. The Company estimates expensed forfeitures based on historical data and adjusts stock-based compensation expenses accordingly. Shares are issued from Treasury upon exercise of stock options.

(l) *Other Comprehensive Income.*

Other comprehensive income refers to revenues, expenses, gains and losses that under generally accepted accounting principles are included in comprehensive income, but are excluded from net income as these amounts are recorded directly as an adjustment to stockholders' equity. The Company's other comprehensive income is comprised only of unrealized foreign exchange gains and losses related to the translation of subsidiaries' functional currency into the reporting currency.

(m) *Income Per Share.*

Basic earnings per share is computed by dividing net income (loss) attributable to controlling interest available to common stockholders by the weighted average number of common shares outstanding in the period. Diluted earnings per share are calculated giving effect to the potential dilution of the exercise of options and stock awards. Common equivalent shares, composed of incremental common shares issuable upon the exercise of stock options and stock awards are included in diluted net income per share to the extent that these shares are dilutive. Common equivalent shares that have an anti-dilutive effect on net income per share have been excluded from the calculation of diluted weighted average shares outstanding for the years ended December 31, 2025 and 2024.

(n) *Use of Estimates.*

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and would impact the results of operations and cash flows.

Estimates and underlying assumptions are reviewed at each period end. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant areas requiring the use of management estimates include long-lived asset impairment analysis, share-based payments, valuation allowances for deferred income tax assets, determination of useful lives of property, equipment and leaseholds and intangible assets, recoverability of accounts receivable, recoverability of investments, discount rates for right of use assets and the costing and recoverable value of inventory.

(o) *Fair Value of Financial Instruments.*

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes a fair value hierarchy based on three levels of inputs described below, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 — Unobservable inputs that are supported by little or no market activity which is significant to the fair value of the assets or liabilities.

The fair values of cash, term deposits, investments and the line of credit for all periods presented approximate their respective carrying amounts due to the short-term nature of these financial instruments.

The fair value of the long-term debt for all periods presented approximate their respective carrying amounts due to these financial instruments being at market rates.

(p) *Contingencies.*

The Company accrues for loss contingencies when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. If a contingency is at least reasonably possible but not probable, or if the amount cannot be estimated, the Company discloses the nature of the contingency in the notes to the financial statements. Legal costs associated with such matters are expensed as incurred, and no accruals are recorded for contingencies where the likelihood of loss is remote.

(q) *Income Taxes.*

Income taxes are computed by multiplying the Company's taxable net income by the Company's effective tax rates. Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the consolidated financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and operating loss carry-forwards, if any. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred income tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided to reduce the carrying amount of deferred income tax assets if it is considered more likely than not that some portion, or all, of the deferred income tax assets will not be realized.

It is the Company's policy to provide for uncertain tax positions and the related interest and penalties based upon management's assessment of whether a tax benefit is more likely than not to be sustained upon examination by tax authorities.

To the extent the Company prevails in matters for which a liability for an unrecognized benefit is established or is required to pay amounts in excess of the liability, the Company's effective tax rate in a given financial statement period may be affected. Interest and penalties associated with the Company's tax positions are recorded as tax expense (benefit) in the consolidated statements of income and comprehensive income.

(r) *Risk Management and Concentrations.*

The Company's credit risk is primarily attributable to its accounts receivable. The amounts presented in the consolidated balance sheets are net of allowances for doubtful accounts, estimated by the Company's management based on prior experience and the current economic environment. The Company is exposed to credit-related losses in the event of non-payment by customers. Credit exposure is minimized by dealing with only credit worthy counterparties.

Excluding research and development services revenue, total revenue for the Company's three primary customers in each period is as follows:

	Full year ended December 31,	
	2025	2024
Total revenue for three primary customers	\$ 18,055,599	\$ 20,779,311
Total revenue for three primary customers as a percentage of sales	50%	54%
Research and development services	\$ 2,500,000	\$ -
Research and development services as a percentage of sales	6%	-

Total accounts receivable for the Company's three primary product sales customers for the full year ended December 31, 2025 is as follows:

	Full year ended December 31,	
	2025	2024
Accounts receivable of three primary customers	\$ 7,826,250 (62)%	\$ 7,585,199 (65)%

There was no research and development sales account receivable at December 31, 2025 and 2024.

See Note 4 for allowance for doubtful accounts, all unrelated to our primary or research and development customers.

The credit risk on cash is limited because the Company limits its exposure to credit loss by placing its cash with major financial institutions. The Company maintains cash balances at financial institutions which at times exceed federally insured amounts. The Company has not experienced any losses in such accounts.

(s) *Leases.*

Leases are evaluated and classified as either operating or finance leases by the lessee and as either operating, sales-type or direct financing leases by the lessor. For leases with terms greater than 12 months, the Company records the related right-of-use ("ROU") asset and lease obligation at the present value of lease payments over the term. Leases may include fixed rental escalation clauses, renewal options and / or termination options that are factored into the determination of lease payments when appropriate. The Company's operating leases are included in ROU assets, lease liabilities-current portion and lease liability-long term portion in the accompanying consolidated balance sheets. ROU assets represent the Company's right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease. The Company's leases do not usually provide a readily determinable implicit rate; therefore, an estimate of the Company's incremental borrowing rate is used to discount the lease payments based on information available at the lease commencement date.

(t) *Investments.*

Investment, at cost

The Company accounts for investments in equity securities that do not have a readily determinable fair value using the cost method. These investments are initially recorded at cost and are not subsequently remeasured unless impaired. Dividends received from cost-method investments are recognized as income when declared, provided they do not represent a return of capital. The Company evaluates these investments for impairment at each reporting period based on qualitative factors, such as financial condition, operational performance, and general market conditions affecting the investee. If an investment is determined to be impaired and the impairment is considered other than temporary, the carrying amount is reduced to its estimated recoverable value, with the impairment loss recognized in earnings.

Investment, equity method

The Company accounts for investments in entities over which it has significant influence, but not control, using the equity method of accounting. Under the equity method, the investment is initially recorded at cost, and the carrying amount is subsequently adjusted for the Company's share of the investee's income, losses, and dividends received. When a portion of an equity-method investment is sold, the Company recognizes a gain or loss on the sale based on the difference between the carrying amount of the investment sold and the proceeds received. The Company adjusts the carrying amount of the remaining investment based on its proportionate share of the investee's equity after the sale. The Company assesses its equity-method investments for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the carrying amount of an equity-method investment exceeds its recoverable amount, an impairment loss is recognized.

(u) *Reclassification.*

Certain prior year amounts have been reclassified to conform to the 2025 financial statements presentation. Reclassifications had no effect on net income, cash flows, or stockholders' equity as previously reported.

(v) *Goodwill and Intangible Assets.*

Goodwill

Goodwill represents the excess of the purchase price over the fair value of identifiable net assets acquired in a business combination. Goodwill is assigned to reporting units at the date of acquisition and is not amortized but is subject to periodic impairment testing. The carrying amount of goodwill is adjusted only in the event of impairment or upon the disposal of a business.

Intangible Assets

Intangible assets acquired separately are recorded at cost, while those acquired in a business combination are recognized at fair value as of the acquisition date. Intangible assets are classified into the following categories:

- **Definite-Lived Intangible Assets** – These assets are amortized over their estimated useful lives on a straight-line basis or another systematic basis that better reflects the pattern of consumption of economic benefits. The estimated useful lives of these assets are reviewed periodically to determine whether adjustments are necessary.
- **Indefinite-Lived Intangible Assets** – Certain intangible assets are classified as indefinite-lived when there is no foreseeable limit to the period over which they are expected to contribute to cash flows. These assets are not amortized but are subject to periodic evaluation to confirm their classification remains appropriate.

(w) Recent Accounting Pronouncements.

In December 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-09 (*Topic 740*) *Improvements to Income Tax Disclosures*. The new guidance is intended to enhance annual income tax disclosures to address investor requests for more information about the tax risks and opportunities present in an entity’s operations. The amendments in this standard require disclosure of additional information in specified categories with respect to the reconciliation of the effective tax rate to the statutory rate (the rate reconciliation) for federal, state, and foreign income taxes. They also require greater detail about individual reconciling items in the rate reconciliation to the extent the impact of those items exceeds a specified threshold. In addition to new disclosures associated with the rate reconciliation, the amendments in this update require information pertaining to taxes paid (net of refunds received) to be disaggregated for federal, state, and foreign taxes and further disaggregated for specific jurisdictions to the extent the related amounts exceed a quantitative threshold. The amendments in this update are effective on January 1, 2025 for annual periods beginning after December 15, 2024, and early adoption is permitted. We adopted this guidance which resulted in additional required disclosures included in our consolidated financial statements for the year ended December 31, 2025 and income tax disclosure for the comparative year ended December 31, 2024 were modified retrospectively to include the new requirements.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures* (Subtopic 220-40): *Disaggregation of Income Statement Expenses*, which requires disclosure about the types of costs and expenses included in certain expense captions presented on the income statement. The new disclosure requirements are effective for the Company’s annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027, with early adoption permitted, and may be applied either prospectively or retrospectively. The Company is currently evaluating the ASU to determine its impact on its consolidated financial statements and disclosures.

Management does not believe that any other recently issued, but not yet effective, accounting standards if currently adopted would have a material effect on the accompanying financial statements.

3. LEASES

Naperville Operating Lease

In January 2016, NanoChem Solutions Inc. leased a space in Naperville, IL for office and research and development. The lease was for an initial five years and renewable every five years for a further five years. In March 2024, the Company consolidated NanoChem operations into the Peru, IL locations and terminated the lease in Naperville, IL. The Company had to pay a penalty of \$35,910 and forfeited the \$5,440 security deposit to terminate the lease early and incurred a loss of \$41,350 on early termination of the lease that is shown on the consolidated statement of income and comprehensive income as a part of non-operating income (loss).

Panama Operating Lease

In 2024, the Company executed a contract to lease 37,500 sq. ft for manufacturing space with a lease term of 122 months with the option to renew the lease for a further 36 months at the end and total payments during the term, starting at \$31,324 per month with a 3% increase each year, or \$3,461,568 in total. The Company recorded the present value of the lease payments over the term as a lease liability and an ROU asset. The Company’s incremental borrowing rate of 7% was used as the discount rate since the rate implicit in the lease was not readily determinable.

The lease liability related to this operating lease, which represents the present value of the lease payments, and the corresponding ROU asset were both \$2,341,339 at inception of the lease. The ROU asset was \$2,111,027 and the lease liability was \$2,543,723 at December 31, 2025. During 2025, the Company recognized \$432,696 of lease expense related to this lease in “General and administrative” in the consolidated statements of income and comprehensive income. There were no payments made or expense recorded for this lease in 2024. The Company is waiting for final requirements to be met by the lessor before starting to pay rent. At year end, the difference between the ROU asset and lease liability is attributable to the timing of the commencement of rent payments.

Mendota, Illinois Operating Leases

In October 2025, in connection with the sale of a building previously occupied by the Company’s subsidiary ENP Investments (see Note 6), ENP Investments entered into operating leases with the new owner for a total of 125,500 square feet of manufacturing and office space, comprised of two lease sections. The Company’s incremental borrowing rate of 7% was used as the discount rate for both leases as the implicit rate was not readily determinable.

Section A (110,000 sq. ft.): Initial term of 60 months with an option to renew. Monthly base rent begins at \$27,492 and escalates at approximately 3.6% annually, for total undiscounted payments of \$1,771,552. At inception, both the ROU asset and lease liability were recorded at \$1,483,227. The option to renew was not considered in calculating the initial carrying values. As of December 31, 2025, both the ROU asset and lease liability were \$1,426,447. For the year ended December 31, 2025, operating lease expense of \$82,475 was recognized in “Selling, general and administrative” in the consolidated statements of income and comprehensive income.

Section B (15,500 sq. ft.): Initial term of 60 months with an option to renew. Monthly base rent begins at \$4,856 and escalates at approximately 3.6% annually, for total undiscounted payments of \$312,625. At inception, both the ROU asset and lease liability were recorded at \$263,383. The option to renew was not considered in calculating the initial carrying values. As of December 31, 2025, both the ROU asset and lease liability were \$253,213. For the year ended December 31, 2025, operating lease expense of \$14,567 was recognized in “Selling, general and administrative” in the consolidated statements of income and comprehensive income.

The following table summarizes expense and cash payments for operating leases during the periods noted:

	2025	2024
Operating lease expense	\$ 529,738	\$ 14,880
Cash paid for rents with terms less than 1 year	\$ 124,237	\$ 72,891
Cash paid for operating lease liability	\$ 97,042	\$ 14,880
Cash paid for security deposit	\$ 46,875	\$ 93,972
Cash paid for early termination of lease	\$ -	\$ 35,910
Security deposit forfeited upon termination of lease	\$ -	\$ 5,440

The following table contains the weighted average remaining lease term and discount rate for operating leases as of the end of the period:

	As of December 31, 2025
Remaining lease term – Panama operating lease	8.75 years
Remaining lease term – Mendota, IL operating lease	4.75 years
Discount rate - operating leases	7.0%

The table below presents a maturity analysis of the future minimum lease payments for operating leases as of December 31, 2025:

Twelve months ending December 31,	Total
2026	\$ 579,639
2027	787,376
2028	813,094
2029	839,468
2030	751,668
Thereafter	1,677,458
Total operating lease payments	5,448,703
Less: discount on lease liability	(1,225,320)
Total operating lease liability	4,223,383
Less: current portion of operating lease liability	(299,445)
Non-current operating lease liability	\$ 3,923,938

4. ACCOUNTS RECEIVABLE

	2025	2024
Accounts receivable	\$ 12,910,754	\$ 11,983,200
Allowances for doubtful accounts	(288,853)	(287,102)
	\$ 12,621,901	\$ 11,696,098

5. INVENTORIES

	2025	2024
Completed goods	\$ 2,090,720	\$ 3,060,508
Works in progress	231,407	-
Raw materials and supplies	8,219,510	7,829,687
	\$ 10,541,637	\$ 10,890,195

6. PROPERTY, EQUIPMENT AND LEASEHOLDS

	2025 Cost	Accumulated Depreciation	2025 Net
Buildings and improvements	\$ 10,345,212	\$ 4,904,582	\$ 5,440,630
Automobiles	190,933	108,304	82,629
Office equipment	133,990	121,386	12,604
Manufacturing equipment	18,378,471	8,071,269	10,307,202
Land	299,027	-	299,027
Technology	99,671	99,671	-
	\$ 29,447,304	\$ 13,305,212	\$ 16,142,092

	2024 Cost	Accumulated Depreciation	2024 Net
Buildings and improvements	\$ 12,795,750	\$ 4,521,212	\$ 8,274,538
Automobiles	196,255	168,807	27,448
Office equipment	124,526	117,011	7,515
Manufacturing equipment	15,318,758	6,922,667	8,396,091
Land	440,592	—	440,592
Technology	94,945	94,945	—
	<u>\$ 28,970,826</u>	<u>\$ 11,824,642</u>	<u>\$ 17,146,184</u>

Amount of depreciation expense for 2025 was: \$1,805,688 (2024 - \$1,797,476) and is included in cost of sales in the consolidated statements of income and comprehensive income.

In October 2025, the Company completed a sale of its land and building owned by its subsidiary 317 Mendota for gross proceeds of \$3,750,000. In connection with the sale, the Company paid off the \$2,184,591 debt obligation with Stock Yards Bank. This transaction resulted in a gain of \$1,209,939, which is recognized within operating income in the consolidated statement of income and comprehensive income. Subsequent to the sale, the Company entered into an operating lease agreement with the purchaser (See Note 3).

In late 2025, management committed to a plan to sell the 14,000 sq. ft. former manufacturing facility located in Mendota, IL. As of December 31, 2025, the carrying value of the property has been reclassified to Property Held for Sale on the consolidated balance sheet at its estimated net realizable value of \$425,000. In connection with this reclassification, the Company recognized a loss of \$183,423, representing the write-down of the property's carrying amount to its estimated net proceeds from the anticipated sale.

7. GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangibles assets, all of which relates to the acquisition of ENP Investments in 2018, at December 31, 2025 and 2024 consisted of the following:

	December 31, 2025	December 31, 2024
Goodwill	\$ 2,534,275	\$ 2,534,275
Intangibles Assets:		
Indefinite lived – trade secrets and trademarks	770,000	770,000
Definite lived – customer lists	2,350,000	2,350,000
Accumulated amortization on definite-lived intangibles assets	(1,160,000)	(1,000,000)
Net definite-lived intangible assets	1,190,000	1,350,000
Total intangible assets	<u>\$ 1,960,000</u>	<u>\$ 2,120,000</u>

The amount of amortization for 2025 was \$160,000 (2024 - \$160,000) and was included in cost of sales in the consolidated statements of income and comprehensive income. Estimated amortization expense over the next five years is as follows:

2026	\$ 160,000
2027	160,000
2028	160,000
2029	160,000
2030	160,000

8. LONG TERM DEPOSITS

The Company has security deposits that are long term in nature which consist of damage deposits held by lessors and deposits held by various vendors for equipment purchases.

	2025	2024
Long term deposits	\$ 2,423,928	\$ 167,882

9. INVESTMENTS

The Company's investments at December 31, 2025 and 2024 consisted of the following:

	2025	2024
Investments, at cost:		
Lygos Inc., simple agreement for future equity ("SAFE") agreement	\$ -	\$ 1,000,000
Trio Opportunity Corp., 47,000 non-voting Class B shares (2024 - 97,000 non-voting Class B shares)	470,000	970,000
Investment, equity method:		
Florida-based LLC	1,584,324	1,454,381
Total	<u>\$ 2,054,324</u>	<u>\$ 3,424,381</u>

In 2020, the Company invested \$500,000 in Lygos Inc. ("Lygos"), a privately held entity, under a Simple Agreement for Future Equity ("SAFE") agreement. Lygos is a company developing a sustainable aspartic acid microbe strain. In 2021, the Company made a second SAFE investment of \$500,000 for a total of \$1,000,000. In 2025, the investment was deemed impaired by the Company's management and the loss is shown in the consolidated statements of income and comprehensive income.

In September 2025, the Company received a return of \$500,000 on its initial investment of 50,000 Class B shares of Trio Opportunity Corp. The Company still holds 47,000 Class B shares.

In January 2019, the Company invested in a Florida based LLC that is engaged in international sales of fertilizer additives. According to the operating agreement, the Company had a 50% interest in the profit and loss of the Florida based LLC but did not have control. In August 2024, the Company sold a 30.1% interest in the Florida based LLC to a third party for consideration of \$2,000,000. In addition, the Company entered into a subsequent agreement for the sale of its remaining 19.9% interest over the next five years for an additional \$4,000,000. Starting in 2025, the Company will sell a further 3.98% per year upon receipt of that year's \$800,000 payment. In December 2025, the purchaser advised that there would be a delay in funding the 2025 tranche and that they would pay the \$100,000 penalty in January 2026, which has been received. At December 31, 2025, the Company continues to account for this investment using the equity investment as it exercises significant influence.

A summary of the activity associated with the Company's investment in the Florida based LLC during the years ended December 31, 2025 and 2024 is follows:

Balance, December 31, 2023 - 50% interest	\$ 4,063,960
Company's proportionate share of earnings	244,857
Distribution received	(510,710)
Basis of 30.1% of interest sold	(2,343,726)
Balance, December 31, 2024 - 19.9% interest	1,454,381
Company's proportionate share of earnings	129,943
Balance, December 31, 2025 - 19.9% interest	<u>\$ 1,584,324</u>

Summarized profit and loss information related to the Florida based LLC is as follows:

	2025	2024
Net sales	\$ 10,834,359	\$ 13,046,436
Gross profit	\$ 3,347,716	\$ 3,434,533
Net income	<u>\$ 652,982</u>	<u>\$ 455,241</u>

During the year ended December 31, 2025, the Company had sales of \$6,169,277 (2024 - \$8,235,394) to the Florida based LLC, of which \$980,638 is included within Accounts Receivable as at December 31, 2025 (2024 - \$1,866,645).

10. SHORT-TERM LINES OF CREDIT

(a) In June 2025, ENP Investments renewed the line of credit with Stock Yards Bank and Trust (“Stock Yards”). The revolving line of credit is for an aggregate amount of up to the lesser of (i) \$5,000,000, or (ii) 50-80% of eligible domestic accounts receivable plus 50% of inventory, capped at \$2,500,000. Interest on the unpaid principal balance of this loan will be calculated using the greater of prime or 4.0%. The interest rate at December 31, 2025 is 6.75% (December 31, 2024 - 7.5%).

The revolving line of credit contains customary affirmative and negative covenants, including the following: compliance with laws, provisions of financial statements and periodic reports, payment of taxes, maintenance of inventory and insurance, maintenance of operating accounts at Stock Yards, Stock Yard’s access to collateral, formation or acquisition of subsidiaries, incurrence of indebtedness, dispositions of assets, granting liens, changes in business, ownership or business locations, engaging in mergers and acquisitions, making investments or distributions and affiliate transactions. NanoChem is a guarantor of 65% of all the principal and other loan costs not to exceed \$3,250,000. The non-controlling interest is the guarantor of the remaining 35% of all the principal and other loan costs not to exceed \$1,750,000.

To secure the repayment of any amounts borrowed under the revolving line of credit, the Company granted Stock Yards a security interest in substantially all of the assets of ENP Investments, exclusive of intellectual property assets.

The balance outstanding under this revolving line as of December 31, 2025 was \$2,092,097 (2024 - \$2,052,159).

(b) In August 2025, the Company renewed the line of credit with Stock Yards Bank and Trust (“Stock Yards”). The revolving line of credit is for an aggregate amount of up to the lesser of (i) \$2,000,000, or (ii) 80% of eligible domestic accounts receivable plus 50% of inventory, capped at \$1,000,000. Interest on the unpaid principal balance of this loan will be calculated using the greater of prime or 4.0%. The interest rate at December 31, 2025 is 6.75% (December 31, 2024 - 8%).

The revolving line of credit contains customary affirmative and negative covenants, including the following: compliance with laws, provision of financial statements and periodic reports, payment of taxes, maintenance of inventory and insurance, maintenance of operating accounts at Stock Yards, Stock Yards access to collateral, formation or acquisition of subsidiaries, incurrence of indebtedness, dispositions of assets, granting liens, changes in business, ownership or business locations, engaging in mergers and acquisitions, making investments or distributions and affiliate transactions. The covenants also require that the Company maintain a minimum ratio of qualifying financial assets to the sum of qualifying financial obligations.

To secure repayment of any amounts borrowed under the revolving line of credit, the Company granted Stock Yards a security interest in substantially all of the assets of NanoChem, exclusive of intellectual property assets.

The balance outstanding under this revolving line as of December 31, 2025 was \$56,289 (2024 - \$nil).

11. LONG TERM DEBT

Debt, all of which is with StockYards Bank and Trust, at December 31, 2025 and 2024 consisted of the following:

	December 31, 2025	December 31, 2024
ENP Mendota, 10-year mortgage, 7.18% interest, monthly payments through to January 2030, collateralized by real property and all rents on said property	\$ 351,377	\$ 387,577
ENP Peru, 10-year mortgage, 7.18% interest, monthly principal and interest payments through January 2030, collateralized by real property (1 st mortgage)	2,595,681	2,658,381
ENP Peru, 10-year mortgage, 5.4% interest, monthly principal payments plus interest through June 2032, collateralized by real property (2nd mortgage)	237,317	243,957
Nanochem, 5-year note payable, 7.0% interest, monthly principal payments plus interest through August 2029, collateralized by manufacturing equipment	1,257,285	1,545,945
NanoChem, 3-year note payable, 4.90% interest, monthly principal and interest payments through June 2025, collateralized by real property	-	345,036
NanoChem, 3-year note payable, 6.5% interest, interest only payments through to July 2024, then monthly principal and interest payments through December 2025, collateralized by manufacturing equipment	-	1,355,285
317 Mendota, 5-year note payable, 6.79% interest, interest only payments through June 2024, then monthly principal and interest payments through June 2028 with lump sum payment of \$2,024,710 due in June 2028, collateralized by real property	-	2,223,667
Long-term debt	4,441,660	8,759,848
Less: current portion	(396,961)	(2,140,981)
	<u>\$ 4,044,699</u>	<u>\$ 6,618,867</u>

The following table summarizes the scheduled annual future principal payments as of December 31, 2025

Year Ended December 31,	Principal Amount Due
2026	\$ 396,961
2027	425,238
2028	455,491
2029	567,259
2030	2,305,734
Thereafter	290,977
Total	<u>\$ 4,441,660</u>

12. INCOME TAXES

The provision for income tax expense (benefit) is comprised of the following:

	2025	2024
Current tax, federal	\$ 673,742	\$ 405,475
Current tax, state	50,564	183,429
Current tax, foreign	19,878	115,540
Current tax, total expense	744,184	704,444
Deferred income tax, federal	114,484	101,053
Deferred income tax, state	40,915	45,714
Deferred income tax, foreign	-	-
Deferred income tax, total expense (benefit)	155,399	146,767
Total	<u>\$ 899,583</u>	<u>\$ 851,211</u>

Income taxes paid in cash, net refunds received, during the years ended December 31, 2025 and 2024 were as follows:

United States	\$	(107,188)	\$	52,367
State of Illinois		-		-
Canada		927,345		-
Total	\$	<u>820,157</u>	\$	<u>52,367</u>

The following table reconciles the income tax expense at the U.S. Federal statutory rate to income tax expense at the Company's effective tax rates.

	2025		2024	
	\$	%	\$	%
Income before income tax - United States	\$ 4,561,178		\$ 4,472,950	
Income before income tax - Canada	(627,055)		479,850	
Income before income tax - Panama	(666,745)		-	
Income before income tax	<u>3,267,378</u>		<u>4,952,800</u>	
US federal statutory tax rate	686,149	21.0%	1,040,088	21%
Illinois state income tax, net of federal tax benefit	344,367	10.5%	371,708	7.5%
Foreign tax effects - Canada	151,906	4.7%	(35,952)	(0.7)%
Foreign tax effects - Panama	140,016	4.3%		
Valuation allowance	(49,801)	(1.5)%	(395,348)	(8.0)%
Nontaxable or nondeductible items:				
Income attributable to non-controlling interests in pass-through entities	(410,808)	(12.6)%	(283,414)	(5.7)
Other	1,314	-%	64,857	1.3%
Other adjustments	<u>36,440</u>	<u>1.1%</u>	<u>89,272</u>	<u>1.8%</u>
Total	\$ <u>899,583</u>	<u>27.5%</u>	\$ <u>851,211</u>	<u>17.2%</u>

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax assets (liabilities) at December 31, 2025 and 2024 are comprised of the following:

	2025	2024
Canada		
Non-capital loss carryforwards	\$ 1,225,583	\$ 1,059,468
Share issuance costs	2,324	1,024
Property, equipment and leaseholds	33,978	27,995
	<u>1,261,885</u>	<u>1,088,487</u>
Valuation allowance	(1,261,885)	(1,088,487)
Net deferred tax asset	\$ -	\$ -
United States		
Net operating loss carryforwards	\$ 2,917	\$ 190,024
Property, equipment and leaseholds	308,583	502,646
Deferred tax asset	<u>311,500</u>	<u>692,670</u>
Intangible assets	(487,567)	(516,414)
Investments	(98,433)	(105,322)
Valuation allowance	(2,917)	(192,953)
Net deferred tax liability	\$ <u>(277,417)</u>	\$ <u>(122,019)</u>
Panama		
Net operating loss carryforwards	\$ 166,686	\$ -
Valuation allowance	(166,686)	-
	<u>-</u>	<u>-</u>
Net deferred tax liability	\$ <u>(277,417)</u>	\$ <u>(122,019)</u>

The Company has non-capital loss carryforwards of \$5,328,621 which may be carried forward to apply against future year income tax for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

	Loss
2030	\$ 31,050
2031	908,846
2032	594,293
2037	1,633,234
2039	144,912
2040	415,910
2041	316,051
2042	330,847
2043	233,120
2044	195,057
2045	525,301
Total	<u>\$ 5,328,621</u>

As at December 31, 2025, the Company has federal and state income tax net operating loss carryforwards of \$10,234 available for US tax purposes. The NOLs carry forward indefinitely, with utilization limited to offsetting up to 80% of taxable income in any given year.

As at December 31, 2025, the Company has income tax net operating loss carryforwards of \$666,745 available for Panama tax purposes. The NOLs carry forward five years.

The Company's federal income tax returns for fiscal years 2022 through 2025 remain open and subject to examination.

The Company recognizes income tax liabilities from uncertain tax positions where there is uncertainty as to whether a tax position is sustainable using the more-likely-than-not threshold. During the years ended December 31, 2025 and 2024, the total liability for uncertain tax positions changed by \$(161,320) and \$419,214, respectively, primarily due to increased liabilities based on existing tax positions. As of December 31, 2025 and 2024, the Company has recognized liabilities for uncertain tax positions of \$1,964,485 and \$2,125,805, respectively, which is included in income taxes payable on the consolidated balance sheets. All recorded uncertain tax positions impact the Company's effective tax rate.

Subsequent to December 31, 2025, based on discussions with its tax consultants, management determined that the Company is responsible for paying income taxes with respect to tax positions taken since 2019. This determination confirms the existence of the liability previously accrued by the Company. The liability recorded as of December 31, 2025 represents management's best estimate of the obligation based on information available at the balance sheet date. Management is currently working with its tax consultants to assess the full extent of the obligation, and any adjustment to the estimated recorded liability resulting from this process will be reflected in the period in which the change in estimate is identified.

Additionally, the Company has accrued interest and penalties related to these tax liabilities, which are recorded as a component of income tax expense (benefit). As of December 31, 2025 and 2024, the Company recorded a change of \$277,262 and \$333,086 in accrued interest and penalties. At December 31, 2025 and 2024, the Company had accrued cumulative interest and penalties of \$1,064,926 and \$787,664, respectively, which is included in income taxes payable on the consolidated balance sheets. Given the confirmation of the underlying tax liability, the Company expects that interest and penalties will continue to accrue until the matter is resolved with the taxing authorities.

13. INCOME PER SHARE

The Company presents both basic and diluted income per share on the face of its consolidated statements of income and comprehensive income. Basic and diluted income per share is calculated as follows:

	2025	2024
Net income attributable to controlling interest	\$ 786,894	\$ 3,038,529
Weighted average common shares outstanding:		
Basic	12,648,728	12,454,957
Diluted	13,594,610	12,680,668
Net income per common share attributable to controlling interest:		
Basic	\$ 0.06	\$ 0.24
Diluted	\$ 0.06	\$ 0.24

Certain stock options whose terms and conditions are described in Note 14, "Stock Based Compensation" could potentially dilute basic EPS in the future, but were not included in the computation of diluted EPS because to do so would have been anti-dilutive. Those anti-dilutive options are as follows.

	2025	2024
Anti-dilutive options	66,000	745,000

There were no preferred shares issued and outstanding during the years ended December 31, 2025 and 2024.

14. STOCK BASED COMPENSATION

The Company has a stock option plan and stock incentive plan ("Plan"). The purpose of this Plan is to provide additional incentives to key employees, officers, directors and consultants of the Company and its subsidiaries in order to help attract and retain the best available personnel for positions of responsibility and otherwise promote the success of the Company's business. It is intended that options issued under this Plan constitute non-qualified stock options. The general terms of awards under the plan are that 100% of the awards granted will vest the year following the grant unless an executive employee is granted a multi-year stock option award where an equal amount vests over the next 5 years. The maximum term of options granted is 5 years and the exercise price for all options are issued for not less than fair market value at the date of the grant.

During the years ended December 31, 2025 and 2024, the Company recognized stock-based compensation as follows:

	2025	2024
Wages, administrative salaries and benefits	\$ 440,017	\$ 623,000
Professional fees	115,250	50,130
	<u>\$ 555,267</u>	<u>\$ 673,130</u>

The following table summarizes the Company's stock option activities for the years ended December 31, 2025 and 2024:

	Number of shares	Exercise price per share	Weighted average exercise price
Balance, December 31, 2023	1,114,000	\$ 1.75 – 3.61	\$ 3.13
Granted	1,091,000	\$ 2.00 – 4.05	\$ 2.12
Cancelled or expired	(275,000)	\$ 1.75 – 3.61	\$ 2.54
Exercised	(80,000)	\$ 1.75 – 2.44	\$ 2.31
Balance, December 31, 2024	1,850,000	\$ 2.00 – 4.05	\$ 2.68
Granted	66,000	\$ 7.00	\$ 7.00
Cancelled or expired	(5,000)	\$ 2.00 – 3.61	\$ 2.84
Exercised	(212,000)	\$ 2.00 – 3.61	\$ 2.80
Balance, December 31, 2025	1,699,000	\$ 2.00 – 7.00	\$ 2.83
Exercisable, December 31, 2025	1,083,000	\$ 2.00 – 4.05	\$ 2.74

During the year ended December 31, 2025, the Company granted 36,000 (2024 – 102,000) stock options to consultants and 30,000 (2024 – 979,000) stock options to employees. The fair value of options and awards granted during 2025 and 2024 was calculated using the following range of assumptions:

	2025	2024
Expected life – years	3.0	3.0
Interest rate	3.7%	1.76 – 4.11%
Volatility	64.55%	66.01 – 71.59%
Stock price	\$ 7.00	\$ 2.00 - 4.05
Exercise price	\$ 7.00	\$ 1.78 - 4.05
Fair value of stock awards granted	\$ 3.19	\$ 1.46 – 2.02

As of December 31, 2025, the weighted-average remaining contractual life of outstanding and exercisable options is 2.7 years and 2.6 years, respectively. As of December 31, 2025, there was approximately \$380,604 of compensation expense related to non-vested options that is expected to be recognized over a weighted average period of 1.5 years.

The aggregate intrinsic value of options outstanding and exercisable at December 31, 2025 is \$6,620,185 (2024 - \$1,709,850) and \$4,318,585 (2024 - \$843,790), respectively. During the year ended December 31, 2025, the intrinsic value of stock options exercised was \$861,973 (2024 - \$88,730).

During the year ended December 31, 2025, the Company granted 50,000 shares as a stock award. The total fair value of the stock award was \$350,000 with 10,000 shares vested upon issuance and 10,000 shares vest on each anniversary date through 2029. As of December 31, 2025, there was approximately \$248,720 of compensation related to non-vested stock awards that is expected to be recognized through 2029.

15. CAPITAL STOCK

During the year ended December 31, 2025, 107,000 shares were issued upon the exercise of employee stock options (2024 – 47,000) and 99,966 shares were issued upon the exercise of consultant stock options (2024 – 33,000).

The Company declared a special dividend of \$0.10 per share on May 7, 2025, paid on May 28, 2025 to shareholders of record on May 19, 2025 for a total payment of \$1,274,753.

The Company declared a special dividend of \$0.10 per share on April 23, 2024, paid on May 16, 2024 to shareholders of record on April 30, 2024, for a total payment of \$1,255,053.

16. NON-CONTROLLING INTERESTS

(a) ENP Investments is a limited liability corporation (“LLC”) that manufactures and distributes golf, turf and ornamental agriculture products in Mendota, Illinois. The Company owns a 65% interest in ENP Investments through its wholly-owned subsidiary NanoChem. An unrelated party (“NCI”) owns the remaining 35% interest in ENP Investments. ENP Mendota is a wholly owned subsidiary of ENP Investments. ENP Mendota is a LLC that leases warehouse space. For financial reporting purposes, the assets, liabilities and earnings of both of the LLC’s are consolidated into these financial statements. The NCI’s ownership interest in ENP Investments is recorded in non-controlling interests in these consolidated financial statements. The non-controlling interest represents NCI’s interest in the earnings and equity of ENP Investments. ENP Investments is allocated to the TPA segment. See Note 17.

ENP Investments makes cash distributions to its equity owners based on formulas defined within its Ownership Interest Purchase Agreement dated October 1, 2018. Distributions are defined in the Ownership Interest Purchase Agreement as cash on hand to the extent it exceeds current and anticipated long-term and short-term needs, including, without limitation, needs for operating expenses, debt service, acquisitions, reserves, and mandatory distributions, if any.

From the effective date of acquisition onward, the minimum distributions requirements under the Ownership Interest Purchase Agreement were satisfied. The total distribution from the effective date of acquisition onward was \$4,862,387.

Balance, December 31, 2023	\$	2,901,199
Distribution		(794,722)
Non-controlling interest share of income		1,164,037
Balance, December 31, 2024	\$	3,270,514
Distribution		(841,708)
Non-controlling interest share of income		1,425,782
Balance, December 31, 2025	\$	<u>3,854,588</u>

During the year ended December 31, 2025, the Company had sales of \$8,817,331 (2024 - \$8,050,462) to the NCI, of which \$6,652,611 is included within Accounts Receivable as of December 31, 2025 (2024 – \$5,377,088).

b) 317 Mendota is a LLC that owned real estate that the Company occupies part of while the excess was rented out. In October 2025, the Company sold the building but continues to rent from the new owner (see Note 3 and 6). The Company owns an 80% interest in 317 Mendota and an unrelated party (“317 NCI”) owns the remaining 20% interest in 317 Mendota. For financial reporting purposes, the assets, liabilities and earnings of 317 Mendota are consolidated into these financial statements. The 317 NCI’s ownership interest in 317 Mendota is recorded in non-controlling interests in these consolidated financial statements. The non-controlling interest represents 317 NCI’s interest in the earnings and equity of 317 Mendota. 317 Mendota is allocated to the TPA segment as that is the intended use of the building.

Balance, December 31, 2023	\$	164,517
Non-controlling interest share of loss		(100,977)
Balance, December 31, 2024	\$	63,540
Distribution		(150,000)
Non-controlling interest share of income		155,119
Balance, December 31, 2025	\$	<u>68,659</u>

17. SEGMENTS AND SIGNIFICANT CONCENTRATIONS

The Company operates in two segments:

(a) Energy and water conservation products (as shown under the column heading “EWCP” below), which consists of a (i) liquid swimming pool blankets which save energy and water by inhibiting evaporation from the pool surface, and (ii) food-safe powdered form of the active ingredient within the liquid blankets and which are designed to be used in still or slow moving drinking water sources.

(b) Biodegradable polymers, also known as TPA’s (as shown under the column heading “BCPA” below), used by the petroleum, chemical, utility and mining industries to prevent corrosion and scaling in water piping. This product can also be used in detergents to increase biodegradability and in agriculture to increase crop yields by enhancing fertilizer uptake.

The third product line is nitrogen conservation products used for the agriculture industry. These products decrease the loss of nitrogen fertilizer after initial application and allows less fertilizer to be used. These products are made and sold by the Company’s TPA division.

The Company also manufactures food grade products that are made and sold by the TPA division.

The Company’s reportable segments are strategic business units that offer different, but synergistic products and services. They are managed separately because each business requires different technology and marketing strategies. The economic factors that impact the nature, amount, timing, and uncertainty of revenue and cash flows vary among the Company’s operating segments and the geographical regions in which they operate. This operating segment structure is used by the Chief Operating Decision Maker (“CODM”), who has been determined to be the Chief Executive Officer, to make key operating decisions and assess performance of the Company. The CODM evaluates segment operating performance, and makes resource allocation and performance evaluation decisions, based on gross profit and net operating income.

Year ended December 31, 2025:

	EWCP	BCPA	Other ⁽¹⁾	Consolidated
Product sales	\$ 388,713	\$ 35,626,345	\$ -	\$ 36,015,058
Research and development sales	-	2,500,000	-	2,500,000
Cost of sales	145,114	25,830,616	-	25,975,730
Gross profit	243,599	12,295,729	-	12,539,328
Wages, administrative salaries and benefits	105,117	3,735,296	-	3,840,413
Selling, general, and administrative	172,391	3,245,347	224,870	3,642,608
Other segment items ⁽²⁾	18,000	(38,552)	475,805	455,253
Net operating income (loss)	(51,909)	5,353,638	(700,675)	4,601,054
Interest expense	-	613,852	-	613,852
Depreciation and amortization (included in cost of sales)	13,608	1,952,080	-	1,965,688
Capital expenditures	-	4,373,903	-	4,373,903
Assets at December 31, 2025 ⁽³⁾	2,097,454	58,533,323	1,201,602	61,832,379

Year ended December 31, 2024:

	EWCP	BPCA	Other ⁽¹⁾	Consolidated
Product sales	\$ 759,549	\$ 37,475,311	\$ -	\$ 38,234,860
Research and development sales	-	-	-	-
Cost of sales	350,345	24,644,616	-	24,994,961
Gross profit	409,204	12,830,695	-	13,239,899
Wages, administrative salaries and benefits	90,043	3,653,182	-	3,743,225
Selling, general, and administrative	122,758	2,529,736	200,435	2,852,929
Other segment items ⁽²⁾	23,930	884,564	219,845	1,128,339
Net operating income (loss)	172,473	5,763,213	(420,280)	5,515,406
Interest expense	309	609,956	-	610,265
Depreciation and amortization (included in cost of sales)	15,298	1,942,178	-	1,957,476
Capital expenditures	-	4,964,736	-	4,964,736
Assets at December 31, 2024 ⁽³⁾	2,588,731	56,415,104	964,744	59,968,579

(1) Other is not considered an operating segment and includes expenses and income not identifiable to an operating segment and is not included in operating segment results

(2) Other segment items for each reportable segment includes professional fees and research and development.

(3) Segment assets include cash, term deposits, accounts receivable, inventory, prepaid expenses, property held for sale, property, equipment and leaseholds, right of use assets, intangible assets, long-term deposits, investments and goodwill.

Sales by territory are shown below:

	2025	2024
Canada	\$ 820,935	\$ 400,693
United States and abroad	37,694,123	37,834,167
Total	<u>\$ 38,515,058</u>	<u>\$ 38,234,860</u>

The Company's long-lived assets (property, equipment, leaseholds, right of use assets, intangibles, and goodwill) are located in Canada and the United States as follows:

	2025	2024
Canada	\$ 108,423	\$ 116,496
United States and abroad	24,318,631	21,683,963
Total	<u>\$ 24,427,054</u>	<u>\$ 21,800,459</u>

Three customers accounted for \$18,055,599 (50%) of sales made in 2025 (2024 - \$20,779,311 or 54%).

18. SUBSEQUENT EVENTS

In March 2026, the Company had a term deposit in the amount of \$752,682 mature.

In the three months ended March 31, 2026, the Company issued 15,000 shares to employees upon the exercise of employee stock options.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our periodic reports to the SEC is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and regulations, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure. Our disclosure controls and procedures are designed to provide a reasonable level of assurance of reaching our desired disclosure control objectives.

As of the end of the period covered by this Annual Report on Form 10-K for the year ended December 31, 2025 we carried out an evaluation, under the supervision and with the participation of management, including our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined under Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended). Based upon that evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were ineffective. In 2026, the Company will make the necessary changes required to ensure they are effective.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting and for the assessment of the effectiveness of internal control over financial reporting. As defined by the Securities and Exchange Commission, internal control over financial reporting is a process designed by, or under the supervision of our principal executive officer and principal financial officer and implemented by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of our financial statements in accordance with U.S. generally accepted accounting principles.

Our internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect our transactions and dispositions of our assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of our financial statements in accordance with U.S. generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In connection with the preparation of our annual financial statements, management has undertaken an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission, or the 2013 COSO Framework. Management's assessment included an evaluation of the design of our internal control over financial reporting and testing of the operational effectiveness of those controls.

During this assessment for the years ended December 31, 2025, management identified material weaknesses in our internal control over financial reporting ("ICFR") related to a material adjustment identified during the audit process indicating that controls over the financial statement close and review process were not operating effectively to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in ICFR, such that there is a reasonable possibility that a material misstatement of the Company's financial statements will not be prevented or detected on a timely basis. Because of the material weaknesses, management has concluded that our ICFR was not effective as of December 31, 2025 and 2024. In 2026, we will implemented new procedures to improve our financial statement close and review process.

Changes in Internal Controls

There were no changes in our internal control over financial reporting that occurred during the quarter ended December 31, 2025, that had materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

None of our directors or officers adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K) during the quarterly period ending December 31, 2025.

Item 9C. Disclosures Regarding Foreign Jurisdictions That Prevent Inspections.

Not applicable.

Item 10. Directors, Executive Officers and Corporate Governance.

Name	Age	Position
Daniel B. O'Brien	69	President, Chief Executive Officer, Principal Financial and Accounting Officer and a Director
John H. Bientjes	73	Director
Robert Helina	60	Director
Tom Fyles	74	Director
Ben Seaman	45	Director
David Fynn	68	Director

Daniel B. O'Brien has served as our President, Chief Executive Officer and Principal Financial and Accounting Officer, as well as a director since June 1998. He has been involved in the swimming pool industry since 1990, when he founded our subsidiary, Flexible Solutions Ltd. From 1990 to 1998 Mr. O'Brien was also a teacher at Brentwood College where he was in charge of outdoor education.

John H. Bientjes has been a director since 2000. From 1984 to 2018, Mr. Bientjes served as the manager of the Commercial Aquatic Supplies Division of D.B. Perks & Associates, Ltd., located in Vancouver, British Columbia, a company that markets supplies and equipment to commercial swimming pools which are primarily owned by municipalities. Mr. Bientjes retired in 2018. Mr. Bientjes graduated in 1976 from Simon Fraser University in Vancouver, British Columbia with a Bachelor of Arts Degree in Economics and Commerce.

Robert T. Helina has been a director since 2011. Mr. Helina has been involved in the financial services industry for over 35 years which has given him extensive knowledge in business, economics and finance. His specialty is in Corporate Finance and Capital Markets. Mr. Helina holds a Bachelor of Arts degree from Trinity Western University.

Thomas M. Fyles has been a director since 2012. Dr. Fyles holds chemistry degrees from the University of Victoria (B.Sc. 1974) and York University (Ph.D. 1977). Following postdoctoral work in France, he joined the Chemistry Department at the University of Victoria in 1979 where he progressed through the academic ranks to Professor (1992), Chair (2001 – 2006; 2008), and, on his retirement, Professor Emeritus (2017). His research program spanned analytical, synthetic, and physical chemistry with an emphasis on sensors, membranes, and water treatment processes.

Ben Seaman has been a director of the Company since October 2016. Mr. Seaman has been the CEO of Eartheasy.com Sustainable Living Ltd since 2007, an international ecommerce and wholesale distribution business. His company has contributed over \$1M towards clean water projects in Kenya since 2013, has been recognized internationally by the Stockholm Challenge Award, and the Outdoor Industry Inspiration Award in 2016. Prior to that, he worked in sales and investor relations at Flexible Solutions. Mr. Seaman graduated from the University of Victoria with a Bachelor of Science degree in 2004. He has significant experience in launching new products, marketing, distribution and e-commerce in both the US and Canada. He's a strong believer in the triple bottom line approach to business, giving consideration to social and environmental issues in addition to financial performance.

David Fynn has been a director since 2016. Mr. David Fynn is a Canadian Chartered Professional Accountant and services individuals/companies in many sectors including mining and commodities in his private practice. Mr. Fynn worked as a senior manager with KPMG in Canada and Ernst & Young in the United Kingdom and Saudi Arabia. Since 1996 he has been the principal of D.A. Fynn & Associates Inc., an accounting firm.

Directors are elected annually and hold office until the next annual meeting of our stockholders and until their successors are elected and qualified. All executive offices are chosen by the board of directors and serve at the board's discretion.

John Bientjes, Thomas Fyles, Ben Seaman and David Fynn are independent directors as that term is defined in section 803 of the listing standards of the NYSE American.

Our Audit Committee, consisting of John Bientjes, Ben Seaman and David Fynn all of whom have strong financial backgrounds, facilitates and maintains open communications with our board of directors, senior management and our independent auditors. Our Audit Committee also serves as an independent and objective party which monitors our financial reporting process and internal control system. In addition, our Audit Committee reviews and appraises the efforts of our independent auditors. Our Audit Committee meets periodically with management and our independent auditors. John Bientjes and David Fynn meet the SEC's definition of an audit committee financial expert. Each member of the Audit Committee is "independent" as that term is defined in Section 803 of the listing standards of the NYSE American.

Our Compensation Committee, consisting of John Bientjes, Ben Seaman and David Fynn, establishes salary, incentive and other forms of compensation for our Chief Executive Officer and administers our Stock Option Plan. None of our officers participated in deliberations of the compensation committee concerning executive officer compensation. During the year ended December 31, 2025 none of our executive officers served as a member of the compensation committee or as a director of another entity, one of whose executive officers served on our compensation committee or as one of our directors.

We have adopted a Code of Ethics that applies to our Chief Executive Officer, our Chief Financial Officer and our Principal Accounting Officer, as well as our other senior management and financial staff. Interested persons may obtain a copy of our Code of Ethics from our website at www.flexiblesolutions.com.

We believe our directors benefit us for the following reasons:

Name	Reason
Daniel B. O'Brien	Long standing relationship with us.
John J. Bientjes	Long standing relationship with us.
Robert Helina	Corporate finance experience.
Dr. Thomas Fyles	Scientific expertise.
Ben Seaman	Younger generation businessman increases our awareness of internet sales and adds value to our audit and compensation committees
David Fynn	Experienced accountant adds value to our audit and compensation committees

Item 11. Executive Compensation.**Summary Compensation Table**

The following table shows in summary form the compensation earned by (i) our Chief Executive Officer and (ii) by each other executive officer who earned in excess of \$100,000 during the two fiscal years ended December 31, 2024.

Name and Principal Position	Fiscal Year	Salary (1)	Bonus (2)	Restricted Stock Awards (3)	Options Awards (4)	All Other Annual Compensation (5)	Total
Daniel B. O'Brien	2025	\$ 618,000	—	—	—	—	\$ 618,000
President, Chief Executive Financial and Accounting Officer	2024	\$ 600,000	—	—	\$ 316,000	—	\$ 916,000

(1) The dollar value of base salary (cash and non-cash) earned.

(2) The dollar value of bonus (cash and non-cash) earned.

(3) During the periods covered by the table, the value of the shares of restricted stock issued as compensation for services to the persons listed in the table.

(4) The value of all stock options granted during the periods covered by the table.

(5) All other compensation received that we could not properly report in any other column of the table.

In the fall of 2023, Daniel O'Brien, CEO, relocated to Grand Cayman in order to help with international sales. He requested that his salary be reduced to a flat \$600,000 per year with annual increases at the same rate as other employees receive, making his 2025 salary \$618,000. The compensation committee agreed and granted Mr. O'Brien's request.

Non-Qualified Stock Option Plan

In August 2014 we adopted a Non-Qualified Stock Option Plan which authorizes the issuance of up to 1,500,000 shares of our common stock to persons that exercise options granted pursuant to the Plan. Our employees, directors and officers, and consultants or advisors are eligible to be granted options pursuant to the Non-Qualified Plan.

The Plan is administered by our Compensation Committee. The Committee is vested with the authority to determine the number of shares issuable upon the exercise of the options, the exercise price and expiration date of the options, and when, and upon what conditions options granted under the Plan will vest or otherwise be subject to forfeiture and cancellation.

During the fiscal year ended December 31, 2025, we did not issue options pursuant to the Non-Qualified Plan (2024 – nil).

As of December 31, 2025, options to purchase 74,000 shares of our common stock were outstanding under our Non-Qualified Stock Option Plan. The exercise price of these options varies between \$2.44 and \$3.61 per share and the options expire on December 31, 2026.

Stock Option Plans

In 2022 we adopted a Stock Incentive Plan which authorized the issuance of up to 1,500,000 shares of our common stock to persons that have been granted stock awards or options pursuant to the Plan. We have amended the plan in 2025 for issuance up to 2,500,000 shares of our common stock to pursuant to the Plan. Our employees, directors and officers, and consultants or advisors are eligible to be granted options pursuant to the Stock Incentive Plan.

The Plan is administered by our Compensation Committee. The Committee is vested with the authority to determine the number of shares issuable upon the exercise of the options, the exercise price and expiration date of the options, and when, and upon what conditions options granted under the Plan will vest or otherwise be subject to forfeiture and cancellation.

During the fiscal year ended December 31, 2025 we granted 66,000 options pursuant to the Stock Incentive Plan (2024 – 1,081,000).

As of December 31, 2025, options to purchase 1,625,000 shares of our common stock were outstanding under our Stock Incentive Plan. The exercise price of these options varies between \$2.00 and \$7.00 and the options expire at various dates between December 31, 2026 and December 31, 2030

During the fiscal year ended December 31, 2025, the Company granted 50,000 shares as a stock award. The award had 10,000 shares that vested upon issuance and 10,000 shares vest on each anniversary date through 2029. As of December 31, 2025, there was approximately \$248,720 of compensation related to non-vested stock awards that is expected to be recognized through 2029.

Summary

The following table shows the weighted average exercise price of the outstanding options granted pursuant to both our Non-Qualified Stock Option Plan and Stock Incentive Plan as of December 31, 2025, our most recently completed fiscal year.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Non-Qualified Stock Option Plan	74,000	\$ 3.53	57,000
Stock Incentive Plan	1,625,000	\$ 2.80	391,000

Both our Non-Qualified Stock Option Plan and Stock Incentive Plan have been approved by our shareholders.

No options were exercised by our executive officers during the fiscal year ended December 31, 2025.

Director Compensation

We reimburse directors for any expenses incurred in attending board meetings. We also compensate directors \$10,000 annually for each year that they serve with an additional \$5,000 paid to the head of the Audit Committee -

Our directors received the following compensation in 2025:

Name	Paid in Cash	Stock Awards (1)	Option Awards (2)
John H. Bientjes	\$ 15,000	—	—
Robert Helina	\$ 10,000	—	—
Tom Fyles	\$ 10,000	—	—
Ben Seaman	\$ 10,000	—	—
David Fynn	\$ 10,000	—	—

(1) The fair value of stock issued for services computed in accordance with ASC 718 on the date of grant.

(2) The fair value of options granted computed in accordance with ASC 718 on the date of grant.

Daniel B. O'Brien was not compensated for serving as a director during 2025.

Insider Trading Arrangements and Policies

We are committed to promoting high standards of ethical business conduct and compliance with applicable laws, rules and regulations. As part of this commitment, we have adopted our Insider Trading Policy governing the purchase, sale, and/or other dispositions of our securities by our directors, officers, employees and others that we believe is reasonably designed to promote compliance with insider trading laws, rules and regulations. A copy of our Insider Trading Policy was filed as Exhibit 19 to our Annual Report on Form 10-K for the year ended December 31, 2024.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table shows the beneficial ownership of our common stock as of April 15, 2026 by (i) each stockholder who is known by us to own beneficially more than five percent of our outstanding common stock, (ii) each of our officers and directors, and (iii) by all of our executive officers and directors as a group.

	Shares (1)	Percentage Ownership
Daniel B. O'Brien 6001 54 Ave. Taber, AB Canada T1G 1X4	4,388,156	34.5%
John Bientjes 46081 Greenwood Dr. Chilliwack, BC Canada V2R 4C9	0	0%
Robert Helina 6001 54 Ave. Taber, AB Canada T1G 1X4	50,000	0.4%
Dr. Thomas Fyles Box 3065 Victoria, BC Canada V8W 3V6	30,000	0.2%
Ben Seaman Unit 605 5 E. Cordova St. Vancouver BC Canada V6A 0A5	0	0%
David Fynn 202-2526 Yale Court, Abbotsford, BC Canada V2S 8G9	0	0%
All officers and directors as a group (6 persons)	<u>4,468,156</u>	<u>35.1%</u>
<u>Other Principal Shareholders</u> Comprehensive Financial Planning, Inc.	1,258,521	9.9%

(1) Includes shares which may be acquired on the exercise of the stock options, all of which were exercisable as of April 15, 2026, listed below.

Name	No. of Options	Exercise Price	Expiration Date
Daniel B. O'Brien	240,000	\$ 2.00	December 31, 2028
Robert Helina	5,000	\$ 3.61	December 31, 2026
	5,000	\$ 3.55	December 31, 2027
	5,000	\$ 2.00	December 31, 2028
	20,000	\$ 2.00	July 1, 2029
	5,000	\$ 4.05	December 31, 2029

Item 13. Certain Relationships and Related Transactions, Director Independence.

Not applicable.

Item 14. Principal Accountant Fees and Services.

Assure CPA, LLC audited our consolidated financial statements for the years ended December 31, 2025 and 2024 and for the reviews of the 2025 condensed interim financial statements included in our quarterly reports on Form 10-Q. Smythe LLP examined our condensed interim consolidated financial statements included in our quarterly reports on Form 10-Q during the 2024 fiscal year.

Audit Fees

Assure CPA, LLC was paid \$246,213 in the fiscal year ended December 31, 2025 for professional services rendered in the audit of our 2024 annual financial statements and the reviews of the 2025 condensed interim financial statements included in our quarterly reports on Form 10-Q during that fiscal year. Smythe LLP was paid \$6,083 in the fiscal year ended December 31, 2025 for professional services rendered for their audit opinions on their prior services.

Assure CPA, LLC was paid \$5,475 in the fiscal year ended December 31, 2024 for professional services rendered in the audit of our financial statements. Smythe LLP was paid \$152,354 in the fiscal year ended December 31, 2024 for professional services rendered in the audit of our 2023 annual financial statements and for the reviews of the 2024 condensed interim financial statements included in our quarterly reports on Form 10-Q during that fiscal year.

Tax Fees

Smythe LLP had been retained to file our Canadian taxes for the fiscal years ended December 31, 2017 through to December 31, 2023. Smythe LLP was paid \$15,960 in the fiscal year ended December 31, 2025 (2024 – \$25,662) for professional services rendered in preparing our taxes.

All Other Fees

Assure CPA, LLC and Smythe LLP were not paid any other fees for professional services during the fiscal years ended December 31, 2025 and 2024.

Audit Committee Pre-Approval Policies

Rules adopted by the SEC in order to implement requirements of the Sarbanes-Oxley Act of 2002 require public company audit committees to pre-approve audit and non-audit services. Our Audit Committee has adopted a policy for the pre-approval of all audit, audit-related and tax services, and permissible non-audit services provided by our independent auditors. The policy provides for an annual review of an audit plan and budget for the upcoming annual financial statement audit, and entering into an engagement letter with the independent auditors covering the scope of the audit and the fees to be paid. Our Audit Committee may also from time-to-time review and approve in advance other specific audit, audit-related, tax or permissible non-audit services. In addition, our Audit Committee may from time-to-time give pre-approval for audit services, audit-related services, tax services or other non-audit services by setting forth such pre-approved services on a schedule containing a description of, budget for, and time period for such pre-approved services. The policy requires our Audit Committee to be informed of each service and the policies do not include any delegation of our Audit Committee's responsibilities to management. Our Audit Committee may delegate pre-approval authority to one or more of its members. The member to whom such authority is delegated will report any pre-approval decisions to our Audit Committee at its next scheduled meeting.

During the year ended December 31, 2025 our Audit Committee approved all of the fees paid to Assure CPA, LLC and Smythe LLP. Our Audit Committee has determined that the rendering of all non-audit services by Assure CPA, LLC and Smythe LLP is compatible with maintaining its independence.

Item 15. Exhibits, Financial Statement Schedules.

Number	Description
3.1	Articles of Incorporation of the Registrant. (1)
3.2	Bylaws of the Registrant. (1)
19	Insider Trading Policy and Procedures (2)
21.1	Subsidiaries. (3)
23.1	Consent of Independent Accountants.
31.1	Certification of Principal Executive Officer Pursuant to §302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer Pursuant to §302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Principal Executive and Financial Officer Pursuant to 18 U.S.C. §1350 and §906 of the Sarbanes-Oxley Act of 2002.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

(1) Previously filed as an exhibit to our Registration Statement on Form 10-SB filed with the Commission on February 22, 2000, and incorporated herein by reference.

(2) Previously files as Exhibit 19 to our Annual Report on Form 10-K for the year ended December 31, 2024.

(3) Previously filed as an exhibit to our Registration Statement on Form SB-2 filed with the Commission on January 22, 2003, and incorporated herein by reference.

Item 16. Form 10-K Summary

None.

SIGNATURES

In accordance with the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

April 15, 2026

FLEXIBLE SOLUTIONS INTERNATIONAL, INC.

By: /s/ Daniel B. O'Brien
Name: Daniel B. O'Brien
Title: President and Chief Executive Officer

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated:

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Daniel B. O'Brien</u> Daniel B. O'Brien	President, Principal Executive Officer, Principal Financial and Accounting Officer and a Director	April 15, 2026
<u>/s/ John H. Bientjes</u> John H. Bientjes	Director	April 15, 2026
<u>/s/ Robert T. Helina</u> Robert T. Helina	Director	April 15, 2026
<u>/s/ Thomas Fyles</u> Thomas Fyles	Director	April 15, 2026
<u>/s/ Ben Seaman</u> Ben Seaman	Director	April 15, 2026
<u>/s/ David Fynn</u> David Fynn	Director	April 15, 2026

EXHIBIT 21

Name of Subsidiary	State or Jurisdiction of Incorporation	Name Under Which Subsidiary Does Business
Flexible Solutions Ltd.	Alberta	Flexible Solutions Ltd.
Natural Chem SECZ Ltd.	Cayman Islands	Natural Chem SECZ Ltd.
Flexible Fermentation Ltd.	Alberta	Flexible Fermentation Ltd.
NanoChem Solutions, Inc.	Nevada	NanoChem Solutions, Inc.
NCS Deferred Corp.	Illinois	NCS Deferred Corp.
ENP Peru Investments LLC	Indiana	ENP Peru Investments LLC
ENP Investments LLC	Indiana	ENP Investments LLC
ENP Mendota	Illinois	ENP Mendota
InnFlex Holdings Inc.	Colorado	InnFlex Holdings Inc.
317 Mendota LLC	Illinois	317 Mendota LLC
PanaChem Solutions, Inc.	Panama	PanaChem Solutions, Inc.

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statement on Form S-3 of Flexible Solutions International, Inc. of our report dated April 15, 2026 relating to the consolidated financial statements which appears in this Annual Report on Form 10-K.

/s/ Assure CPA, LLC

Spokane, Washington
April 15, 2026

EXHIBIT 31.1

CERTIFICATIONS

I, Daniel B. O'Brien, certify that:

1. I have reviewed this annual report on Form 10-K of Flexible Solutions International, Inc.;
2. Based on my knowledge, this report, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15e) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 15, 2026

/s/ Daniel B. O'Brien

Daniel B. O'Brien
Principal Executive Officer

EXHIBIT 31.2

CERTIFICATIONS

I, Daniel B. O'Brien, certify that:

1. I have reviewed this annual report on Form 10-K of Flexible Solutions International, Inc.;
2. Based on my knowledge, this report, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: April 15, 2026

/s/ Daniel B. O'Brien

Daniel B. O'Brien
Principal Financial Officer

EXHIBIT 32.1

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002**

Solely for the purposes of complying with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, the undersigned Principal Executive and Financial Officer of Flexible Solutions International, Inc. (the "Company"), hereby certify that, to the best of my knowledge, the Annual Report on Form 10-K of the Company for the year ended December 31, 2025 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: April 15, 2026

/s/ Daniel B. O'Brien

Daniel B. O'Brien
Principal Executive and Principal Financial Officer