

FORACO INTERNATIONAL S.A.

Unaudited Condensed Interim Consolidated Financial Statements

**Three-month and six-month periods ended
June 30, 2026**



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Foraco International S.A.**Unaudited condensed interim consolidated financial statements as of June 30, 2026****Unaudited condensed interim consolidated balance sheet - Assets**

in thousands of US\$	Note	June 30, 2026	December 31, 2025
ASSETS			
Non-current assets			
Property, plant and equipment	(5)	67,950	60,962
Goodwill	(6)	62,909	61,648
Deferred income tax assets		19,395	20,455
Other non-current assets		671	662
		150,925	143,727
Current assets			
Inventories, net	(7)	35,056	34,638
Trade receivables, net		56,900	34,426
Other current assets		17,963	12,825
Cash and cash equivalents		17,292	27,303
		127,211	109,192
Total assets		278,136	252,919

Foraco International S.A.**Unaudited condensed interim consolidated financial statements as of June 30, 2026****Unaudited condensed interim consolidated balance sheet – Equity and Liabilities**

in thousands of US\$	Note	June 30, 2026	December 31, 2025
EQUITY			
Capital and reserves attributable to the Company's equity holders			
Share capital		2,499	2,499
Share premium, reserves and retained earnings		99,477	96,281
		101,976	98,780
Non-controlling interests		4,720	5,039
Total equity		106,696	103,819
LIABILITIES			
Non-current liabilities			
Borrowings - Non-current portion of long-term debt	(8)	62,400	63,065
Lease obligations – Non-current portion	(8)	1,761	4,056
Deferred income tax liabilities		1,183	1,209
Provisions for other liabilities and charges	(9)	500	480
Current liabilities			
Trade payables		38,372	26,060
Other payables		25,514	21,162
Current income tax liabilities		2,702	1,599
Borrowings - Current portion of long-term debt	(8)	17,961	15,437
Borrowings - Current portion of drawn credit lines	(8)	17,046	13,791
Lease obligations - Current portion	(8)	3,803	2,010
Provisions for other liabilities and charges	(9)	198	231
Total liabilities		171,440	149,100
Total equity and liabilities		278,136	252,919
Net debt including operating lease obligations under IFRS 16		85,679	71,056

Net debt is defined as current and non-current borrowings and lease liabilities, less cash and cash equivalents. This indicator is not defined under IFRS and is used by management to monitor the Group's financial position.

Foraco International S.A.
Unaudited condensed interim consolidated financial statements as of June 30, 2026
Unaudited condensed interim consolidated income statement

In thousands of US\$	Note	Three-month period ended June 30,		Six-month period ended June 30,	
		2026	2025	2026	2025
Revenue	(4)	84,515	69,063	150,770	124,073
Cost of sales	(11)	(71,455)	(54,937)	(130,621)	(102,218)
Gross profit		13,060	14,126	20,149	21,855
Selling, general and administrative expenses	(11)	(5,438)	(4,726)	(10,468)	(9,561)
Other operating income / (expense), net		-	289	-	289
Operating profit		7,622	9,689	9,681	12,583
Finance costs		(2,005)	(1,523)	(3,932)	(3,014)
Profit before income tax		5,617	8,166	5,749	9,569
Income tax (expense) / profit	(12)	(1,609)	(2,151)	(1,647)	(2,527)
Net profit for the period		4,008	6,015	4,102	7,042
Attributable to:					
Equity holders of the Company		4,090	6,336	4,736	7,880
Non-controlling interests		(82)	(321)	(634)	(838)
Earnings per share for profit attributable to the equity holders of the Company during the period (expressed in US cents per share):					
- basic	(15)	4.18	6.43	4.83	7.99
- diluted	(15)	4.12	6.34	4.74	7.87
Operating profit before depreciation, amortization and non-cash share based compensation expenses		15,018	14,005	22,393	21,031

Foraco International S.A.
Unaudited condensed interim consolidated financial statements as of June 30, 2026
Unaudited condensed interim consolidated statement of changes in equity

in thousands of US\$	Attributable to equity holders of the Company			Non-controlling interests	Total Equity
	Share Capital	Share Premium and Retained Earnings	Total		
Balance at January 1, 2025	2,499	74,999	77,496	5,808	83,305
Profit / (loss) for the period	-	7,880	7,880	(838)	7,042
Currency translation differences	-	7,375	7,375	630	8,005
Employee share-based compensation	-	312	312	-	312
Treasury shares purchased (see Note 10)	-	(721)	(721)	-	(721)
Deconsolidation of EDC Kazakhstan	-	(661)	(661)	(661)	(1,322)
Balance at June 30, 2025	2,499	89,182	91,681	4,940	96,621
Balance at January 1, 2026	2,499	96,281	98,780	5,039	103,819
Profit / (loss) for the period	-	4,736	4,736	(634)	4,102
Currency translation differences	-	(1,029)	(1,029)	315	(714)
Employee share-based compensation	-	314	314	-	314
Treasury shares purchased (see Note 10)	-	(824)	(824)	-	(824)
Balance at June 30, 2026	2,499	99,477	101,976	4,720	106,696

Unaudited statement of comprehensive income

in thousands of US\$	June 30, 2026	June 30, 2025
Net profit / (loss) for the period	4,102	7,042
Currency translation differences	(714)	8,005
Total comprehensive profit for the period	3,387	15,047
<i>Attributable to:</i>		
<i>Equity holders of the Company</i>	<i>3,707</i>	<i>15,255</i>
<i>Non-controlling interests</i>	<i>(320)</i>	<i>(208)</i>

Foraco International S.A.
Unaudited condensed interim consolidated financial statements as of June 30, 2026
Unaudited condensed interim consolidated cash flow statement

in thousands of US\$	6 months period ended June 30,	
	2026	2025
Profit for the period	4,102	7,042
Adjustments for:		
- Depreciation, amortization and impairment (see Note 11)	12,399	8,137
- Share-based compensation expenses (see Note 11)	314	312
- Income tax expenses / (profit) (see Note 12)	1,647	2,527
- Finance costs, net	3,931	3,014
Cash generated from operations before changes in operating assets and liabilities	22,393	21,032
Changes in operating assets and liabilities:		
- Inventories	(569)	255
- Trade accounts receivable and other receivables	(29,259)	(9,311)
- Trade accounts payable and other payables	15,215	1,163
Cash generated from / (used in) operations	7,780	13,139
- Interest paid, net	(3,075)	(2,877)
- Income tax paid	(1,431)	(7,565)
Net cash flow from / (used in) operating activities	3,274	2,697
Purchase of property, plant and equipment (*)	(16,412)	(9,777)
Net cash generated from / (used in) investing activities	(16,412)	(9,777)
Proceeds from issuance of borrowings, net of issuance costs	9,158	1,233
Repayments of borrowings	(7,544)	(6,870)
Repayments of lease obligations	(3,186)	(1,400)
Proceeds from / (repayment of) short term credit facilities	5,351	9,931
Acquisition of treasury shares (see Note 10)	(824)	(721)
Deconsolidation of EDC Kazakhstan		(5)
Net cash generated from / (used in) financing activities	2,955	2,168
Exchange differences on cash and cash equivalents	172	1,325
Net increase / (decrease) in cash and cash equivalents	(10,011)	(3,587)
Cash and cash equivalents at beginning of the period	27,303	24,363
Cash and cash equivalents at end of the period	17,292	20,775
(*) Excluding acquisition financed through leases	2,240	1,903

Selected notes to the unaudited condensed interim consolidated financial statements

1. Basis of preparation

These unaudited condensed interim financial statements have been prepared in accordance with IAS 34 as issued by the IASB. All material intercompany balances have been eliminated. As these condensed statements do not include all disclosures required by IFRS, these interim statements should be read in conjunction with the audited financial statements of Foraco International S.A. and its subsidiaries (“Foraco” or the “Company”) for the year ended December 31, 2025.

Except where otherwise stated, all amounts are presented in thousands of US\$, which is the presentation currency of the Company.

2. Selected notes on critical accounting policies and new accounting pronouncements

2.1. Accounting policies

The accounting policies have been consistently applied with those of the annual financial statements for the year ended December 31, 2025, except for the following: during the year, income tax expense is recognized based on management’s best estimate of the average annual income tax rate expected for the full financial year on a tax jurisdiction by tax jurisdiction basis. In the last quarter of each fiscal year, Management determines the effective income tax rate for the full year based on the anticipated actual tax returns to be filed and the effective contribution of each tax jurisdiction to the consolidated financial statements.

2.2. Seasonal fluctuations

The worldwide presence of the Company reduces its overall exposure to seasonality and the influence this can have on the business activity. In Canada, seasonal slow periods occur during the winter freeze and spring thaw or break-up periods. Depending on the latitude, this can occur anytime from October until late December (freezing) and from mid-April to mid-June (break-up). Operations at mining sites continue throughout the year. In Asia Pacific and in South America, where the Company operates exclusively in the Mining segment, a seasonal slowdown in activity occurs around year-end, during the vacation period. Certain contracts are also affected in Chile in July and August when the winter season peaks.

2.3. Impairment testing

As at December 31, 2025, the Company performed impairment tests at the level of each geographic region, comparing the carrying value of its long-lived assets to the expected discounted future cash flows generated from their use, using the discounted cash flow method. Based on the internal forecasts and projections made, the expected discounted future cash flows exceeded each of the long-lived asset’s carrying amount for each geographic region and accordingly no impairment was recognized as at December 31, 2025. The Company assesses impairment indicators on a quarterly

basis. As management did not identify any indicators of impairment during the first 6 months of 2026, no additional impairment testing was performed.

2.4. Deferred tax valuation allowance

The Company's policy is to recognize deferred tax assets only when they can be recovered within a reasonable period. As a general rule, the Company recognizes deferred tax assets only when they can be used against taxable profit, generally within five years or when available tax opportunities exist. On this basis, the Company has adopted a partial recognition-based approach and has recorded certain valuation allowances. The recognition of deferred tax assets requires significant judgment regarding the probability of future taxable profits.

2.5. New accounting pronouncements

The consolidated interim financial statements have been prepared using the same accounting policies and methods of computation as those applied in the annual financial statements for the year ended December 31, 2025.

New standards and amendments effective for periods beginning on or after January 1, 2026, and relevant to the Company have been assessed in the preparation of these interim financial statements.

Effective January 1, 2026:

Amendments to IFRS 9 – Financial Instruments, and IFRS 7 – Financial Instruments: Disclosures: These amendments address the classification and measurement of financial instruments and related disclosure requirements.

Annual Improvements to IFRS Accounting Standards – Volume 11 (2023): These improvements include minor amendments to various standards to clarify wording or correct inconsistencies. The application of these amendments has not had a material impact on the Company's interim consolidated financial statements.

Effective January 1, 2027:

IFRS 18 – Presentation and Disclosure in Financial Statements: This new standard replaces IAS 1 and introduces new defined subtotals in the statement of profit or loss, enhanced aggregation and disaggregation guidance, and improved disclosure of management-defined performance measures.

IFRS 19 – Subsidiaries without Public Accountability: Disclosures: This new standard allows eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements, provided their parent produces publicly available consolidated financial statements.

The impact of these forthcoming standards and amendments on the Company's consolidated financial statements is currently being evaluated.

Foraco International S.A.**Unaudited condensed interim consolidated financial statements as of June 30, 2026****3. Financial risk management**

The Company is exposed to a variety of financial risks through its activity including liquidity risk, currency risk, cash transfer restrictions, interest rate, financial counter-party risk and credit risk.

The decrease in cash and cash equivalents during the period was primarily driven by higher working capital requirements and capital expenditures, reflecting increased activity levels. A significant portion of the cash flows of the Company are denominated in Canadian Dollars, Euros, Australian Dollars, Brazilian Real, and US Dollars. The financial performance and position presented in US\$ are dependent on the fluctuations of the US\$ against the various functional currencies used by the Group's entities.

4. Segment information

The business segment information for the three-month periods ended June 30, 2026, and June 30, 2025, is as follows:

Three-month period ended	Mining		Water		Group	
	June 30,		June 30,		June 30,	
	2026	2025	2026	2025	2026	2025
Revenue	70,527	57,479	13,988	11,584	84,515	69,063
Gross profit	8,563	10,336	4,497	3,790	13,060	14,126
Operating profit	4,025	6,692	3,597	2,997	7,622	9,689
Finance costs	n/a	n/a	n/a	n/a	(2,005)	(1,523)
Profit before income tax	n/a	n/a	n/a	n/a	5,617	8,166
Income tax profit / (expense)	n/a	n/a	n/a	n/a	(1,609)	(2,151)
Net profit for the period	n/a	n/a	n/a	n/a	4,008	6,015

The business segment information for the six-month periods ended June 30, 2026, and June 30, 2025, is as follows:

Six-month period ended	Mining		Water		Group	
	June 30,		June 30,		June 30,	
	2026	2025	2026	2025	2026	2025
Revenue	127,536	101,217	23,234	22,856	150,770	124,073
Gross profit	13,079	14,376	7,070	7,479	20,149	21,855
Operating profit	4,213	6,887	5,468	5,696	9,681	12,583
Finance costs	n/a	n/a	n/a	n/a	(3,932)	(3,014)
Profit before income tax	n/a	n/a	n/a	n/a	5,749	9,569
Income tax profit / (expense)	n/a	n/a	n/a	n/a	(1,647)	(2,527)
Net profit for the period	n/a	n/a	n/a	n/a	4,102	7,042

The following is a summary of sales to external customers by geographic area for the three-month periods ended June 30, 2026, and June 30, 2025:

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Three-month period ended	June 30, 2026	June 30, 2025
North America	32,275	25,273
Asia Pacific	23,158	24,637
South America	21,938	11,325
Europe, Middle East and Africa	7,144	7,828
Net sales	84,515	69,063

The following is a summary of sales to external customers by geographic area for the six-month periods ended June 30, 2026, and June 30, 2025:

Six-month period ended	June 30, 2026	June 30, 2025
North America	57,356	43,372
Asia Pacific	37,229	45,030
South America	41,944	21,443
Europe, Middle East and Africa	14,241	14,228
Net sales	150,770	124,073

5. Property, plant and equipment

Property, plant and equipment (PP&E) consists of the following:

	Land & Buildings	Drilling equipment & tools	Automotive equipment	Office furniture & other equipment	Rights of use	Total
12-month period ended December 31, 2025						
Opening net book amount	1,495	34,770	6,200	804	4,802	48,067
Additions	207	20,583	1,921	83	4,233	27,027
Exchange differences	103	4,531	566	57	370	5,626
Disposals or retirements	(131)	(68)	(10)	(1)	-	(210)
Deconsolidation of EDC Kazakhstan	-	(942)	(524)	(5)	-	(1,471)
Depreciation expense	(144)	(12,622)	(1,517)	(261)	(3,538)	(18,082)
Closing net book value	1,530	46,252	6,636	677	5,867	60,962
6-month period ended June 30, 2026						
Opening net book amount	1,530	46,252	6,636	677	5,867	60,962
Additions	162	15,403	830	23	2,426	18,844
Exchange differences	(37)	367	72	40	61	503
Disposals or retirements	-	(3)	(13)	(5)	-	(21)
Depreciation expense	(61)	(8,349)	(840)	(85)	(3,003)	(12,338)
Closing net book value	1,594	53,670	6,685	650	5,351	67,950

The PP&E depreciation expense and the intangible asset amortization expense have been charged to the income statement as follows:

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Period ended	June 30, 2026	December 31, 2025
Cost of sales	11,182	15,997
Selling, general and administrative expenses	1,217	2,147
Total depreciation and amortization	12,399	18,144

6. Goodwill

Goodwill is analyzed as follows:

	June 30, 2026	December 31, 2025
Goodwill at beginning of period	61,648	55,633
Exchange differences	1,261	6,015
Goodwill at end of period	62,909	61,648

Goodwill is denominated in the functional currency of its primary economic environment and is allocated to the following geographic regions: South America (US\$42.5 million), North America (US\$8 million), Asia Pacific (US\$7.0 million) and Europe, the Middle East and Africa (US\$5.4 million).

7. Inventories

Inventories are broken down as follows:

	June 30, 2026	December 31, 2025
Spare parts and consumables, gross	35,056	34,638
Less inventory allowance	-	-
Inventories, net	35,056	34,638

The Company regularly assesses spare parts and consumables and writes off obsolete inventories as soon as they are identified.

8. Financial debt and lease obligations

As at June 30, 2026, the maturity of financial debt can be analyzed as presented in the table below:

	June 30, 2026
Drawn credit lines	17,046
Long-term debt	
Within one year	17,961
Between 1 and 2 years	13,554

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Between 2 and 3 years	18,360
Between 3 and 4 years	28,010
Between 4 and 5 years	2,445
More than 5 years	31

Total	97,407
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Financial debt is denominated in the functional currency of the main subsidiaries, primarily in Canadian Dollars and Australian Dollars.

As of June 30, 2026, the Company had US\$22.4 million of undrawn credit facilities and was in compliance with all financial covenants. No material refinancing risk is expected over the next twelve months.

As part of the implementation of IFRS 16, the Company recognized lease obligations amounting to US\$5,564 thousand as at June 30, 2026.

9. Provisions

Provisions comprise the following elements:

	Pension and retirement indemnities	Provision for tax uncertainties	Other provisions	Total
As at January 1, 2026	480	-	231	711
Charged to consolidated income statement				
- Addition to provisions	44	-	37	81
- Used amounts reversed	-	-	-	-
- Unused amounts reversed	(35)	-	(85)	(120)
- Exchange differences	11	-	14	25
As at June 30, 2026	500	-	198	698

All of the Group's employees, with the exception of those in France and Africa, are covered under Government sponsored health and life insurance benefit plans. In France and Africa, the Group contributes to the national pension system whereby its obligations to employees in terms of pensions are restricted to a lump-sum length of service award payable at the date the employee reaches retirement age, such an award being determined for each individual based upon years of service provided and projected final salary.

The Company operates in various countries and may be subject to tax audits and other employee-related risks. The Company is currently facing such risks in certain countries but there are no material unprovided contingent liabilities at the balance sheet date. The Company regularly reassesses its exposure and accounts for provisions accordingly. The outcome of these matters may differ from the amounts recorded.

10. Share capital and change in equity**Number of shares outstanding**

As at June 30, 2026, the total common shares of the Company are distributed as follows:

	Number of shares
Common shares held directly or indirectly by principal shareholders	28,155,191
Common shares held directly, indirectly or controlled by officers and individuals in their capacity as members of the Board of Directors	3,395,072
Common shares held by the Company	1,400,197
Common shares held by the public (*)	66,301,338
Total shares issued	99,251,798
Common shares held by the Company	(1,400,197)
Total common shares outstanding	97,851,601

Currency Translation Adjustment and Impact on Equity

The Company presents its consolidated financial statements in US dollars (US\$), which is its presentation currency while individual subsidiaries prepare their financial statements in their respective functional currencies. In accordance with IAS 21 – The Effects of Changes in Foreign Exchange Rates, resulting translation differences are recorded in Other Comprehensive Income (OCI) and accumulated in the Currency Translation Differences (CTD) within equity. For the six-month period ended June 30, 2026, the Company recorded a negative currency translation adjustment of US\$0.7 million, decreasing total equity. This variation is primarily driven by fluctuations in the exchange rates of the CAD, AUD, CLP and BRL against the US\$, which affect the conversion of subsidiaries' net assets.

Treasury shares

On September 29, 2023, the Company issued a notice with the Toronto Stock Exchange ("TSX") in respect of a Normal Course Issuer Bid ("NCIB"). The Company was entitled to purchase up to 1,000,000 additional common shares. As at September 30, 2024, the Company purchased 699,628 of its own shares at an average purchase price of Can\$2.28.

On September 27, 2024, the Company issued a notice with the Toronto Stock Exchange ("TSX") in respect of a Normal Course Issuer Bid ("NCIB"). The Company was entitled to purchase up to 1,000,000 additional common shares. As at September 30, 2025, the Company purchased 999,000 of its own shares at an average purchase price of Can\$2.04.

On September 11, 2025, the Company issued a notice with the Toronto Stock Exchange ("TSX") in respect of a Normal Course Issuer Bid ("NCIB"). The Company was entitled to purchase up to 1,000,000 additional common shares. As at June 30, 2026, the Company purchased 729,600 of its own shares at an average purchase price of Can\$2.56.

As at June 30, 2026, the Company owns 1,400,197 of its own shares (1,002,697 as at December 31, 2025).

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The common shares held by the Company will be used for employee free share plans.

11. Expenses by nature

Operating expenses / (income), net by nature are as follows:

	Three-month period ended June 30,		Six-month period ended June 30,	
	2026	2025	2026	2025
Depreciation and amortization	(7,241)	(4,154)	(12,399)	(8,137)
Accruals increases / (reversals)	53	(23)	180	23
Raw materials, consumables used and external charges	(36,244)	(28,591)	(66,689)	(52,947)
Employee benefit expense	(33,216)	(26,305)	(61,612)	(49,811)
Taxes other than on income	(246)	(301)	(569)	(618)
Total operating expenses	(76,894)	(59,374)	(141,089)	(111,490)

Share-based compensation expenses recognized in Employee benefit expense for the period ended June 30, 2026, amount to US\$314 thousand (US\$312 thousand for the period ended June 30, 2025).

12. Income tax expense

The income tax is recognized based on Management's best estimate of the average annual income tax rate expected for the full financial year on a tax jurisdiction by tax jurisdiction basis. During the six-month period ended June 30, 2026, the Company recognized an income tax expense amounting to US\$ 1,647 thousand (US\$ 2,527 thousand for the period ended June 30, 2025).

13. Commitments and contingencies

Guarantees given are mainly related to contracts and are as follows:

	June 30, 2026	December 31, 2025
Bid bonds	-	-
Advance payment guarantees	283	291
Performance guarantees	1,508	1,595
Financial guarantees	2,000	2,000
Total	3,791	3,886

As part of its financing, the Company granted a security package consisting of a share pledge agreement and a general security agreement in Canada, a share pledge agreement and a featherweight security agreement in Australia and a share pledge agreement in Brazil.

14. Related-party transactions

The Company engaged in certain related party transactions including the lease of facilities and equipment amounting to US\$1,412 thousand for the period ended June 30, 2026 (US\$1,209 thousand for the period ended June 30, 2025).

Compensation to key managers for the period ended June 30, 2026, amounted to US\$337 thousand (US\$324 thousand for the period ended June 30, 2025).

15. Earnings per share calculation

For the three-month period ended June 30, 2026, the weighted basic average number of shares was 97,868,396 (98,507,994 in 2025) and the weighted diluted average number of shares was 99,304,218 (99,947,036 in 2025).

For the six-month period ended June 30, 2026, the weighted basic average number of shares was 98,048,760 (98,757,770 in 2025) and the weighted diluted average number of shares was 99,837,289 (100,083,683 in 2025).

16. Post balance sheet events

There were no significant post balance sheet events.