

Major Drilling Announces First Quarter 2026 Results

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MONCTON, Sept. 08, 2025 - [Major Drilling Group International Inc.](#) ("Major Drilling" or the "Company") (TSX: MDI), the largest provider of specialized drilling services to the mining sector, today reported results for the first quarter of fiscal 2026, ended July 31, 2025.

Quarterly Highlights:

- Revenue of \$226.6 million, a 20.8% increase from the prior quarter, and a 19.3% increase relative to the same period last year.
- Adjusted gross margin⁽¹⁾ of 25.2%, an increase from the 22.8% recorded in the prior quarter, but below the 28.9% achieved in the same period last year.
- EBITDA⁽¹⁾ of \$32.1 million, a slight decrease when compared to the \$34.3 million generated in the same period last year.
- Capital expenditures totaled \$14.4 million as the Company benefited from previous investments in the fleet, while relocating rigs within certain regions to areas with growing demand.

"As expected, operations ramped up sharply in the first fiscal quarter of 2026, with revenue growing by 20.8% from the prior quarter. We were particularly pleased with activity levels in Peru and Chile, which helped offset a slowdown in the Australasian region caused by pauses at certain projects due to changes in drill programs," said Denis Larocque, President and CEO of Major Drilling.

"While project delays due to market uncertainty resulted in a slower start to the calendar year, activity levels ramped up through April and May as expected, with a few additional projects also coming online in June and July. While these new projects resulted in additional training, mobilization, and startup costs, the impact on margins in the current quarter was lower when compared to fiscal Q4 2025," Mr. Larocque continued.

"We continue to see increasing levels of demand for drilling services in the South & Central American region, in particular Peru, which is expected to offset any weakness in the Australasian market. Our strong safety culture, along with our well-maintained fleet, value-added drill side innovations, optimal levels of inventory, and experienced crews, all combine to solidify our position as the industry leader, not just in these regions, but around the world," continued Mr. Larocque.

"In fiscal Q1, the Company generated \$32.1 million in EBITDA, a slight decrease when compared to the same period last year. EBITDA in the quarter was impacted by lower gross margins, reflective of the current competitive pricing environment in North America. The Company continues to benefit from Explomin's stable, longer-term contracts with a higher proportion of underground operations, although at the expected lower margin profile," said Ian Ross, CFO of Major Drilling.

"The Company's balance sheet remains strong with net debt (see "Non-IFRS measures") of \$2.8 million, while working capital grew by \$13.1 million to \$206.8 million, driven by an increase in receivables coinciding with the ramp-up in activity levels," continued Mr. Ross. "During the quarter, we strategically relocated drill rigs within certain regions to areas experiencing higher levels of demand which, when combined with previous investments in the fleet, resulted in lower than expected capital expenditures of \$14.4 million in the quarter. A total of 5 new drill rigs were added, while 4 older, less efficient rigs were disposed of, bringing the total rig count to 709 at quarter-end," concluded Mr. Ross.

"With rising gold and copper prices, current market conditions remain fluid with uncertainty around tariffs and other geopolitical concerns. Looking ahead to the next quarter, the Company expects to see some continued top-line momentum driven by additional project start-ups, with the potential for modest margin improvement. Looking out further, we remain optimistic on the North American region, as the junior financing market has

begun to show signs of life, while discussions surrounding more streamlined permitting processes in both Canada & the U.S. could also lead to an increase in activity," concluded Mr. Larocque.

In millions of Canadian dollars (except earnings per share)	Q1 2026	Q1 2025
Revenue	\$ 226.6	\$ 190.0
Gross margin	18.6 %	22.1 %
Adjusted gross margin ⁽¹⁾	25.2 %	28.9 %
EBITDA ⁽¹⁾	32.1	34.3
As percentage of revenue	14.1 %	18.0 %
Net earnings	10.1	15.9
Earnings per share	0.12	0.19

⁽¹⁾ See "Non-IFRS Financial Measures"

First Quarter Ended July 31, 2025

Total revenue for the quarter was \$226.6 million, up 19.3% from revenue of \$190.0 million recorded in the same quarter last year. Excluding Explomin, revenue for the quarter would have been \$178.7 million, down 6.0% from the same quarter last year. The unfavourable foreign exchange translation impact on revenue, when compared to the effective rates for the same period last year, was approximately \$1 million, while the impact on net earnings was minimal as expenditures in foreign jurisdictions tend to be in the same currency as revenue.

Revenue for the quarter from Canada - U.S. drilling operations decreased by 3.6% to \$84.1 million, compared to the same quarter last year. Customer-related delays due to permitting and forest fires negatively impacted the region at the start of the quarter, however activity levels began to improve at quarter-end.

South and Central American revenue increased by 92.4% to \$95.8 million for the quarter, compared to the same quarter last year. Within the region, Explomin contributed a total of \$47.9 million in revenue as its revenue run-rate continues to increase following the closing of the acquisition in November. Activity levels also grew in Chile, however this was somewhat offset by challenging markets in Argentina and Mexico.

Australasian and African revenue decreased by 11.9% to \$46.8 million, compared to the same period last year. Unexpected modifications to certain drill programs caused the decrease in the quarter, however the region continues to see a high level of demand for the Company's specialized services.

Gross margin percentage for the quarter was 18.6%, compared to 22.1% for the same period last year. Depreciation expense totaling \$14.9 million is included in direct costs for the current quarter, versus \$12.9 million in the same quarter last year. Adjusted gross margin, which excludes depreciation expense, was 25.2% for the quarter, compared to 28.9% for the same period last year. The decrease in margins from the previous year is reflective of the competitive environment in North America. The margin profile for Explomin, with long-term contracts and a higher proportion of underground drilling, results in lower margins, as expected, however provides increased geographic diversification and revenue stability.

General and administrative costs were \$21.4 million, an increase of \$3.2 million compared to the same quarter last year. This increase was driven by the addition of Explomin and annual inflationary wage adjustments.

Amortization of intangible assets was \$1.5 million, an increase of \$1.2 million over the same quarter last year due to the addition of intangibles recognized as part of the Explomin acquisition.

Other expenses were \$3.3 million, up from \$3.0 million in the same quarter last year, due to costs associated with strategic initiatives.

Foreign exchange loss was \$1.5 million, compared to a loss of \$0.8 million for the same quarter last year.

While the Company's reporting currency is the Canadian dollar, various jurisdictions have net monetary assets or liabilities exposed to various other currencies.

The income tax provision for the quarter was an expense of \$3.9 million, compared to \$4.9 million for the same quarter last year. The reduction was the result of reduced profitability.

Net earnings were \$10.1 million or \$0.12 per share (\$0.12 per share diluted) for the quarter, compared to net earnings of \$15.9 million or \$0.19 per share (\$0.19 per share diluted) for the prior year quarter.

Non-IFRS Financial Measures

The Company's financial data has been prepared in accordance with IFRS® Accounting Standards, with the exception of certain financial measures detailed below. The measures below have been used consistently by the Company's management team in assessing operational performance on both segmented and consolidated levels, and in assessing the Company's financial strength. The Company believes these non-IFRS financial measures are key, for both management and investors, in evaluating performance at a consolidated level and are commonly reported and widely used by investors and lending institutions as indicators of a company's operating performance and ability to incur and service debt, and as a valuation metric. These measures do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similarly titled measures presented by other publicly traded companies and should not be construed as an alternative to other financial measures determined in accordance with IFRS.

EBITDA - earnings before interest, taxes, depreciation, and amortization:

(in \$000s CAD)	Q1 2026	Q1 2025
Net earnings	\$ 10,071	\$ 15,871
Finance (revenues) costs	632	(664)
Income tax provision	3,889	4,915
Depreciation and amortization	17,466	14,139
EBITDA	\$ 32,058	\$ 34,261

Adjusted gross profit/margin - excludes depreciation expense:

(in \$000s CAD)	Q1 2026	Q1 2025
Total revenue	\$ 226,618	\$ 190,042
Less: direct costs	184,461	148,062
Gross profit	42,157	41,980
Add: depreciation	14,911	12,860
Adjusted gross profit	57,068	54,840
Adjusted gross margin	25.2 %	28.9 %

Net cash (debt) - cash net of debt, excluding lease liabilities reported under IFRS 16 Leases:

(in \$000s CAD)	July 31, 2025	April 30, 2025
Cash and cash equivalents	\$ 47,078	\$ 45,987
Contingent consideration	(22,192)	(22,210)
Long-term debt	(27,658)	(27,682)
Net cash (debt)	\$ (2,772)	\$ (3,905)

Forward-Looking Statements

This news release includes certain information that may constitute "forward-looking information" under applicable Canadian securities legislation. All statements, other than statements of historical facts, included in this news release that address future events, developments, or performance that the Company expects to

occur (including management's expectations regarding the Company's objectives, strategies, financial condition, results of operations, cash flows and businesses) are forward-looking statements. Forward-looking statements are typically identified by future or conditional verbs such as "outlook", "believe", "anticipate", "estimate", "project", "expect", "intend", "plan", and terms and expressions of similar import. All forward-looking information in this news release is qualified by this cautionary note.

Forward-looking information is necessarily based upon various estimates and assumptions including, without limitation, the expectations and beliefs of management related to the factors set forth below. While these factors and assumptions are considered reasonable by the Company as at the date of this document in light of management's experience and perception of current conditions and expected developments, these statements are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements and undue reliance should not be placed on such statements and information.

Such forward-looking statements are subject to a number of risks and uncertainties that include, but are not limited to: the level of activity in the mining industry and the demand for the Company's services; competitive pressures; global and local political and economic environments and conditions; measures affecting trade relations between countries, including the imposition of tariffs and countermeasures, as well as the possible impacts on the Company's clients, operations and, more generally, the economy; changes in jurisdictions in which the Company operates (including changes in regulation); the integration of business acquisitions and the realization of the intended benefits of such acquisitions; the level of funding for the Company's clients (particularly for junior mining companies); exposure to currency movements (which can affect the Company's revenue in Canadian dollars); currency restrictions; efficient management of the Company's growth; the Company's dependence on key customers; the impact of operational changes; safety of the Company's workforce; risks and uncertainties relating to climate change and natural disasters; the geographic distribution of the Company's operations; failure by counterparties to fulfill contractual obligations; disease outbreak; as well as other risk factors described under "General Risks and Uncertainties" in the Company's MD&A for the year ended April 30, 2025, available on the SEDAR+ website at www.sedarplus.ca. Should one or more risk, uncertainty, contingency, or other factor materialize or should any factor or assumption prove incorrect, actual results could vary materially from those expressed or implied in the forward-looking information.

Forward-looking statements made in this document are made as of the date of this document and the Company disclaims any intention and assumes no obligation to update any forward-looking statement, even if new information becomes available, as a result of future events, or for any other reasons, except as required by applicable securities laws.

About Major Drilling

Major Drilling Group International Inc. is the world's leading provider of specialized drilling services in the metals and mining industry. The diverse needs of the Company's global clientele are met through field operations and registered offices that span across North America, South America, Australia, Asia, Africa, and Europe. Established in 1980, the Company has grown to become a global brand in the mining space, known for tackling many of the world's most challenging drilling projects. Supported by a highly skilled workforce, Major Drilling is led by an experienced senior management team who have steered the Company through various economic and mining cycles, supported by regional managers known for delivering decades of superior project management.

Major Drilling is regarded as an industry expert at delivering a wide range of drilling services, including reverse circulation, surface and underground coring, directional, sonic, geotechnical, environmental, water-well, coal-bed methane, shallow gas, underground percussive/longhole, and surface drill and blast, along with the ongoing development and evolution of its suite of data and technology-driven innovation services.

Webcast/Conference Call

Major Drilling Group International Inc. will provide a simultaneous webcast and conference call to discuss its quarterly results on Tuesday, September 9, 2025 at 8:00 am (EDT). To access the webcast, which includes

a slide presentation, please go to the investors/webcasts section of Major Drilling's website at www.majordrilling.com and click on the link. Please note that this is listen-only mode.

To participate in the conference call, please dial 416-340-2217, participant passcode 9449318# and ask for Major Drilling's First Quarter Results Conference Call. To ensure your participation, please call in approximately five minutes prior to the scheduled start of the call.

For those unable to participate, a taped rebroadcast will be available approximately one hour after the completion of the call until Tuesday, September 30, 2025. To access the rebroadcast, dial 905-694-9451 and enter the passcode 7582287#. The webcast will also be archived for one year and can be accessed on the Major Drilling website at www.majordrilling.com.

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Major Drilling Group International Inc.
 Interim Condensed Consolidated Statements of Operations
 (in thousands of Canadian dollars, except per share information)
 (unaudited)

	Three months ended July 31	
	2025	2024
TOTAL REVENUE	\$ 226,618	\$ 190,042
DIRECT COSTS (note 8)	184,461	148,062
GROSS PROFIT	42,157	41,980
OPERATING EXPENSES		
General and administrative (note 8)	21,368	18,238
Amortization of intangible assets	1,530	271
Other expenses	3,291	2,956
(Gain) loss on disposal of property, plant and equipment	(120)	(391)
Foreign exchange (gain) loss	1,496	784
Finance (revenues) costs	632	(664)
	28,197	21,194
EARNINGS BEFORE INCOME TAX	13,960	20,786
INCOME TAX EXPENSE (RECOVERY) (note 9)		
Current	6,597	5,503
Deferred	(2,708)	(588)
	3,889	4,915
NET EARNINGS	\$ 10,071	\$ 15,871
EARNINGS PER SHARE (note 10)		
Basic	\$ 0.12	\$ 0.19
Diluted	\$ 0.12	\$ 0.19

Major Drilling Group International Inc.
 Interim Condensed Consolidated Statements of Comprehensive Earnings

(in thousands of Canadian dollars)
(unaudited)

	Three months ended July 31	
	2025	2024
NET EARNINGS	\$ 10,071	\$ 15,871
OTHER COMPREHENSIVE EARNINGS		
Items that may be reclassified subsequently to profit or loss		
Unrealized gain (loss) on foreign currency translations	(537)	2,784
Unrealized gain (loss) on derivatives (net of tax)	106	(23)
COMPREHENSIVE EARNINGS	\$ 9,640	\$ 18,632

Major Drilling Group International Inc.

Interim Condensed Consolidated Statements of Changes in Equity

For the three months ended July 31, 2025 and 2024

(in thousands of Canadian dollars)

(unaudited)

	Share capital	Retained earnings	Other reserves	Share-based payments reserve	Foreign trans
BALANCE AS AT MAY 1, 2024	\$ 262,679	\$ 151,740	\$ (18)	\$ 3,630	\$
Exercise of stock options	397	-	-	(109)	
Share-based compensation	-	-	-	42	
	263,076	151,740	(18)	3,563	
Comprehensive earnings:					
Net earnings	-	15,871	-	-	
Unrealized gain (loss) on foreign currency translations	-	-	-	-	
Unrealized gain (loss) on derivatives	-	-	(23)	-	
Total comprehensive earnings	-	15,871	(23)	-	
BALANCE AS AT JULY 31, 2024	\$ 263,076	\$ 167,611	\$ (41)	\$ 3,563	\$
BALANCE AS AT MAY 1, 2025	\$ 263,108	\$ 177,695	\$ (293)	\$ 3,615	\$
Exercise of stock options	345	-	-	(96)	
Share-based compensation	-	-	-	11	
Stock options expired/forfeited	-	22	-	(22)	
	263,453	177,717	(293)	3,508	
Comprehensive earnings:					
Net earnings	-	10,071	-	-	
Unrealized gain (loss) on foreign currency translations	-	-	-	-	
Unrealized gain (loss) on derivatives	-	-	106	-	
Total comprehensive earnings	-	10,071	106	-	
BALANCE AS AT JULY 31, 2025	\$ 263,453	\$ 187,788	\$ (187)	\$ 3,508	\$

Major Drilling Group International Inc.

Interim Condensed Consolidated Statements of Cash Flows

(in thousands of Canadian dollars)

(unaudited)

	Three months ended July 31	
	2025	2024
OPERATING ACTIVITIES		
Earnings before income tax	\$ 13,960	\$ 20,786
Operating items not involving cash		
Depreciation (note 8)	15,936	13,868
Amortization of intangible assets	1,530	271
(Gain) loss on disposal of property, plant and equipment	(120)	(391)
Share-based compensation	11	42
Finance (revenues) costs recognized in earnings before income tax	632	(664)
	31,949	33,912
Changes in non-cash operating working capital items	(13,118)	(4,035)
Finance revenues received (costs paid)	(632)	664
Income taxes paid	(3,266)	(6,127)
Cash flow from (used in) operating activities	14,933	24,414
FINANCING ACTIVITIES		
Repayment of lease liabilities	(384)	(723)
Issuance of common shares due to exercise of stock options	249	288
Change in long-term debt	(24)	-
Cash flow from (used in) financing activities	(159)	(435)
INVESTING ACTIVITIES		
Investments (note 7)	-	(15,205)
Acquisition of property, plant and equipment (note 6)	(14,380)	(21,251)
Proceeds from disposal of property, plant and equipment	193	1,213
Cash flow from (used in) investing activities	(14,187)	(35,243)
Effect of exchange rate changes	504	896
INCREASE (DECREASE) IN CASH	1,091	(10,368)
CASH, BEGINNING OF THE PERIOD	45,987	96,218
CASH, END OF THE PERIOD	\$ 47,078	\$ 85,850

Major Drilling Group International Inc.
 Interim Condensed Consolidated Balance Sheets
 As at July 31, 2025 and April 30, 2025
 (in thousands of Canadian dollars)
 (unaudited)

	July 31, 2025	April 30, 2025
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 47,078	\$ 45,987
Trade and other receivables (note 12)	158,540	144,731
Income tax receivable	5,503	6,992
Inventories	115,478	115,629
Prepaid expenses	12,111	8,490
	338,710	321,829
PROPERTY, PLANT AND EQUIPMENT (note 6)	275,675	277,553
RIGHT-OF-USE ASSETS	8,601	9,176

INVESTMENTS (note 7)	17,754	17,814
DEFERRED INCOME TAX ASSETS	2,335	2,151
GOODWILL	66,031	65,962
INTANGIBLE ASSETS	22,686	24,256
	\$ 731,792	\$ 718,741
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	\$ 116,995	\$ 112,690
Income tax payable	6,140	4,295
Current portion of lease liabilities	2,217	2,021
Current portion of contingent consideration	6,542	8,869
	131,894	127,875
LEASE LIABILITIES	6,848	7,430
CONTINGENT CONSIDERATION	15,650	13,341
LONG-TERM DEBT	27,658	27,682
DEFERRED INCOME TAX LIABILITIES	17,744	20,315
	199,794	196,643
SHAREHOLDERS' EQUITY		
Share capital	263,453	263,108
Retained earnings	187,788	177,695
Other reserves	(187)	(293)
Share-based payments reserve	3,508	3,615
Foreign currency translation reserve	77,436	77,973
	531,998	522,098
	\$ 731,792	\$ 718,741

MAJOR DRILLING GROUP INTERNATIONAL INC.
 NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE THREE MONTHS ENDED JULY 31, 2025 AND 2024 (UNAUDITED)
 (in thousands of Canadian dollars, except per share information)

1. NATURE OF ACTIVITIES

Major Drilling Group International Inc. (the "Company") is incorporated under the Canada Business Corporations Act and has its head office at 111 St. George Street, Moncton, NB, Canada. The Company's common shares are listed on the Toronto Stock Exchange ("TSX"). The principal source of revenue consists of contract drilling for companies primarily involved in mining and mineral exploration. The Company has operations in North America, South America, Australia, Asia, and Africa.

2. BASIS OF PRESENTATION

Statement of compliance

These Interim Condensed Consolidated Financial Statements have been prepared in accordance with IAS 34 Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and using the accounting policies as outlined in the Company's annual Consolidated Financial Statements for the year ended April 30, 2025.

On September 8, 2025, the Board of Directors authorized the financial statements for issue.

Basis of consolidation

These Interim Condensed Consolidated Financial Statements incorporate the financial statements of the

Company and entities controlled by the Company. Control is achieved when the Company is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The results of subsidiaries acquired or disposed of during the period are included in the Consolidated Statements of Operations from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Intercompany transactions, balances, income and expenses are eliminated on consolidation, where appropriate.

Basis of preparation

These Interim Condensed Consolidated Financial Statements have been prepared based on the historical cost basis, except for certain financial instruments that are measured at fair value, using the same accounting policies and methods of computation, as presented in the Company's annual Consolidated Financial Statements for the year ended April 30, 2025.

3. APPLICATION OF NEW AND REVISED IFRS® ACCOUNTING STANDARDS

The following IASB amendment, adopted as of May 1, 2025, has not had a significant impact on the Company's Consolidated Financial Statements:

- IAS 21 (as amended in 2023) - The Effect of Changes in Foreign Exchange Rates - The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.

The Company has not applied the following IASB standard that has been issued, but is not yet effective:

- IFRS 18 (as issued in 2024) - Presentation and Disclosure of Financial Statements - effective for periods beginning on or after January 1, 2027, with earlier application permitted. The standard replaces IAS 1, Presentation of Financial Statements, and includes requirements for the presentation and disclosure of information in financial statements, such as the presentation of subtotals within the statement of operations and the disclosure of management-defined performance measures within the financial statements.

The Company is currently in the process of assessing the impact the adoption of the above standard will have on the Consolidated Financial Statements.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGMENTS

The preparation of financial statements, in conformity with IFRS Accounting Standards, requires management to make judgments, estimates and assumptions that are not readily apparent from other sources, which affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods. Significant areas requiring the use of management estimates relate to the useful lives of property, plant and equipment and intangible assets for depreciation and amortization purposes, inventory valuation, determination of income and other taxes, recoverability of deferred income tax assets, assumptions used in compilation of share-based payments, fair value of assets acquired and liabilities assumed in business acquisitions, provisions, contingent considerations, impairment testing of goodwill, and impairment testing of intangible and long-lived assets.

The Company applied judgment in determining the functional currency of the Company and its subsidiaries, the determination of cash-generating units ("CGUs"), the degree of componentization of property, plant and

equipment, the recognition of provisions, and the determination of the probability that deferred income tax assets will be realized from future taxable earnings.

5. SEASONALITY OF OPERATIONS

The third quarter (November to January) is normally the Company's weakest quarter due to the slowdown of mining and exploration activities, often for extended periods over the holiday season.

6. PROPERTY, PLANT AND EQUIPMENT

Capital expenditures for the three months ended July 31, 2025 were \$14,380 (2024 - \$21,251). The Company did not obtain direct financing for the three months ended July 31, 2025 or 2024.

7. INVESTMENTS

On July 22, 2024, the Company purchased shares in DGI Geoscience Inc. ("DGI") for \$15,000 in cash consideration, a 39.8% equity interest (that provides the Company with 42.3% of the voting rights). DGI and its subsidiaries are privately held entities, headquartered in Canada, focused on downhole survey and imaging services as well as using artificial intelligence for logging scanned rock samples.

In addition to the equity interest, Major Drilling has representation on the DGI Board of Directors and has special approval rights (protective in nature) granted to the Company as part of the investment. As a result, the Company concluded that the equity method of accounting is appropriate for its investment in DGI.

8. EXPENSES BY NATURE

Direct costs by nature are as follows:

	Q1 2026	Q1 2025
Depreciation	\$ 14,911	\$ 12,860
Employee salaries and benefit expenses	82,881	68,185
Materials, consumables and external costs	79,346	56,821
Other	7,323	10,196
	\$ 184,461	\$ 148,062

General and administrative expenses by nature are as follows:

	Q1 2026	Q1 2025
Depreciation	\$ 1,025	\$ 1,008
Employee salaries and benefit expenses	11,577	9,997
Other general and administrative expenses	8,766	7,233
	\$ 21,368	\$ 18,238

9. INCOME TAXES

The income tax provision for the periods can be reconciled to accounting earnings before income tax as follows:

	Q1 2026	Q1 2025
Earnings before income tax	\$ 13,960	\$ 20,786
Statutory Canadian corporate income tax rate	27 %	27 %

Expected income tax provision based on statutory rate	3,769	5,612
Non-recognition of tax benefits related to losses	705	202
Utilization of previously unrecognized losses	(42)	(702)
Other foreign taxes paid	467	125
Rate variances in foreign jurisdictions	(81)	(61)
Permanent differences and other	(929)	(261)
Income tax provision recognized in net earnings	\$ 3,889	\$ 4,915

The Company periodically assesses its liabilities and contingencies for all tax years open to audit based upon the latest information available. For those matters where it is probable that an adjustment will be made, the Company records its best estimate of these tax liabilities, including related interest charges. Inherent uncertainties exist in estimates of tax contingencies due to changes in tax laws. While management believes they have adequately provided for the probable outcome of these matters, future results may include favourable or unfavourable adjustments to these estimated tax liabilities in the period the assessments are made, or resolved, or when the statutes of limitations lapse.

10. EARNINGS PER SHARE

All of the Company's earnings are attributable to common shares, therefore, net earnings are used in determining earnings per share.

	Q1 2026	Q1 2025
Net earnings	\$ 10,071	\$ 15,871
Weighted average number of shares:		
Basic (000s)	81,865	81,817
Diluted (000s)	82,018	82,016
Earnings per share		
Basic	\$ 0.12	\$ 0.19
Diluted	\$ 0.12	\$ 0.19

The calculation of diluted earnings per share for the three months ended July 31, 2025 excludes the effect of 200,000 options (2024 - 105,000) as they were not in-the-money.

The total number of shares outstanding on July 31, 2025 was 81,887,836 (2024 - 81,839,086).

11. SEGMENTED INFORMATION

The Company's operations are divided into the following three geographic segments, corresponding to its management structure: Canada - U.S.; South and Central America; and Australasia and Africa. The services provided in each of the reportable segments are essentially the same. The accounting policies of the segments are the same as those described in the Company's annual Consolidated Financial Statements for the year ended April 30, 2025. Management evaluates performance based on earnings from operations in these three geographic segments before finance costs, general corporate expenses and income taxes. Data relating to each of the Company's reportable segments is presented as follows:

	Q1 2026	Q1 2025
Revenue		
Canada - U.S.*	\$ 84,070	\$ 87,153
South and Central America	95,763	49,824
Australasia and Africa	46,785	53,065
	\$ 226,618	\$ 190,042

*Canada - U.S. includes revenue of \$39,169 (2024 - \$31,848) for Canadian operations.

	Q1 2026	Q1 2025
Earnings (loss) from operations		
Canada - U.S.	\$ 5,789	\$ 7,806
South and Central America	5,700	6,113
Australasia and Africa	9,217	11,437
	20,706	25,356
Finance (revenues) costs	632	(664)
General and corporate expenses**	6,114	5,234
Income tax	3,889	4,915
	10,635	9,485
Net earnings	\$ 10,071	\$ 15,871

**General and corporate expenses include expenses for corporate offices and stock-based compensation.

	Q1 2026	Q1 2025
Capital expenditures		
Canada - U.S.	\$ 1,285	\$ 8,172
South and Central America	10,674	6,025
Australasia and Africa	2,332	7,000
Unallocated and corporate assets	89	54
Total capital expenditures	\$ 14,380	\$ 21,251

Depreciation and amortization		
Canada - U.S.	\$ 6,554	\$ 6,340
South and Central America	6,225	3,201
Australasia and Africa	4,455	4,374
Unallocated and corporate assets	232	224
Total depreciation and amortization	\$ 17,466	\$ 14,139

	July 31, 2025	April 30, 2025
Identifiable assets		
Canada - U.S.*	\$ 222,412	\$ 223,320
South and Central America	347,155	342,668
Australasia and Africa	219,506	216,051
Unallocated and corporate liabilities	(57,281)	(63,298)
Total identifiable assets	\$ 731,792	\$ 718,741

*Canada - U.S. includes property, plant and equipment as at July 31, 2025 of \$54,988 (April 30, 2025 - \$58,312) for Canadian operations.

12. FINANCIAL INSTRUMENTS

Fair value

The carrying values of cash, trade and other receivables, demand credit facilities and trade and other payables approximate their fair value due to the relatively short period to maturity of the instruments. The carrying value of contingent consideration and long-term debt approximates their fair value as the interest applicable is reflective of fair market rates.

Financial assets and liabilities measured at fair value are classified and disclosed in one of the following

categories:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 - inputs other than quoted prices included in level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 - inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The Company enters into certain derivative financial instruments to manage its exposure to market risks, comprised of share-price forward contracts with a combined notional amount of \$6,262, maturing at varying dates through June 2027.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The Company's derivatives, with fair values as follows, are classified as level 2 financial instruments and recorded in trade and other receivables (payables) in the Interim Condensed Consolidated Balance Sheets. There were no transfers of amounts between level 1, level 2 and level 3 financial instruments for the three months ended July 31, 2025.

	July 31, 2025	April 30, 2025
Share-price forward contracts	\$ (760)	\$ (1,582)

Credit risk

As at July 31, 2025, 95.8% (April 30, 2025 - 96.1%) of the Company's trade receivables were aged as current and 1.4% (April 30, 2025 - 1.5%) of the trade receivables were impaired.

The movements in the allowance for impairment of trade receivables during the periods were as follows:

	July 31, 2025	April 30, 2025
Opening balance	\$ 2,179	\$ 4,149
Increase in impairment allowance	217	840
Recovery of amounts previously impaired	(164)	(584)
Write-off charged against allowance	-	(2,215)
Foreign exchange translation differences	(28)	(11)
Ending balance	\$ 2,204	\$ 2,179

Foreign currency risk

As at July 31, 2025, the most significant carrying amounts of net monetary assets and/or liabilities (which may include intercompany balances with other subsidiaries) that: (i) are denominated in currencies other than the functional currency of the respective Company subsidiary; and (ii) cause foreign exchange rate exposure, including the impact on earnings before income taxes ("EBIT"), if the corresponding rate changes by 10%, are as follows (in \$000s CAD):

	Rate variance	USD/CAD	MNT/USD	ARS/USD	USD/AUD	IDR/USD
Net exposure on monetary assets (liabilities)		11,308	10,089	7,879	3,414	3,247
EBIT impact	+/-10%	1,256	1,121	875	379	361

Liquidity risk

The following table details contractual maturities for the Company's financial liabilities:

	1 year	2-3 years	4-5 years	Thereafter	Total
Trade and other payables	\$ 116,995	\$ -	\$ -	\$ -	\$ 116,995
Lease liabilities (interest included)	2,711	3,840	1,693	2,546	10,790
Contingent consideration (undiscounted)	6,990	19,237	-	-	26,227

Long-term debt (interest included)	1,777	29,880	-	-	31,657
	\$ 128,473	\$ 52,957	\$ 1,693	\$ 2,546	\$ 185,669

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