



**FORACO INTERNATIONAL S.A. – Q2 2026 RESULTS**

**Strong revenue growth driven by robust market demand**

**Toronto, Ontario & Lunel, France – July 31, 2026** – Foraco International S.A. (TSX: FAR) today reported unaudited financial results for the three-month period ended June 30, 2026.

**Q2 2026 Highlights:**

- **Revenue** totaled US\$84.5 million, up 22.4% compared to Q2 2025, driven by solid activity in Canada, the United States and South America.
- **EBITDA** increased to US\$15.0 million, up 7.1% compared with US\$14.0 million in Q2 2025.
- **EBITDA margin** was 17.8%, compared with 20.3% in Q2 2025, reflecting inflation in labor and key drilling consumables, together with the ramp-up of several large long-term contracts.
- **Rig utilization** increased to 51%, compared with 35% in Q2 2025, reflecting higher activity levels across the Group.

**H1 2026 Highlights:**

- **Revenue** totaled US\$150.8 million, up 21.5% compared to H1 2025.
- **EBITDA** increased to US\$22.4 million, up 6.5% compared with US\$21.0 million in H1 2025.
- **Capex** totaled US\$16.4 million during H1 2026 compared to US\$ 9.8 million in H1 2025.

**Tim Bremner, Chief Executive Officer, stated:**

"Our second-quarter performance demonstrates the continued strength of demand for our drilling services, with revenue increasing by 22.4% year over year. While activity levels remained robust through most of our operations, profitability was impacted by a combination of operational challenges on a limited number of contracts in South America and continued inflationary pressure across labor, consumables and key raw materials affecting the entire mining services industry. Working with our customers, we are implementing revised price adjustment formulas across our contract portfolio to better mitigate cost inflation. Supported by an increasing backlog and sustained customer demand, we remain confident that these actions, together with our operational improvement initiatives, will progressively enhance margins over the coming quarters."

**Fabien Sevestre, Chief Financial Officer of Foraco, added:**

"EBITDA for the quarter reached US\$15.0 million, reflecting another quarter of solid activity across the Group. While gross margins as a percentage of sales are below last year's level, we expect profitability to progressively improve as contractual price adjustments take effect and recently mobilized contracts reach normal operating efficiency. We continued to invest in the business during the quarter to support future growth while maintaining disciplined control over selling and administrative expenses. During the quarter, we further strengthened our financing framework through the extension of our main credit agreement, the renewal of certain financing facilities and amendments to certain financing covenants. At June 30, 2026, the Group maintained more than US\$22 million of available financing capacity. Our financial position remains sound and provides flexibility to support future growth opportunities."

## Income Statement

| (In thousands of US\$)<br>(unaudited)  | Three -month period ended<br>June 30, |               | Six -month period ended<br>June 30, |                |
|----------------------------------------|---------------------------------------|---------------|-------------------------------------|----------------|
|                                        | 2026                                  | 2025          | 2026                                | 2025           |
| <b>Revenue</b> .....                   | <b>84,515</b>                         | <b>69,063</b> | <b>150,770</b>                      | <b>124,073</b> |
| <b>Gross profit (1)</b> .....          | <b>13,060</b>                         | <b>14,126</b> | <b>20,149</b>                       | <b>21,855</b>  |
| <i>As a percentage of sales</i> .....  | <i>15.5%</i>                          | <i>20.5%</i>  | <i>13.4%</i>                        | <i>17.6%</i>   |
| <b>EBITDA</b> .....                    | <b>15,018</b>                         | <b>14,005</b> | <b>22,393</b>                       | <b>21,031</b>  |
| <i>As a percentage of sales</i> .....  | <i>17.8%</i>                          | <i>20.3%</i>  | <i>14.9%</i>                        | <i>17.0%</i>   |
| <b>Operating profit</b> .....          | <b>7,622</b>                          | <b>9,689</b>  | <b>9,681</b>                        | <b>12,583</b>  |
| <i>As a percentage of sales</i> .....  | <i>9.0%</i>                           | <i>14.0%</i>  | <i>6.4%</i>                         | <i>10.1%</i>   |
| <b>Net profit for the period</b> ..... | <b>4,008</b>                          | <b>6,015</b>  | <b>4,102</b>                        | <b>7,042</b>   |
| Attributable to:                       |                                       |               |                                     |                |
| Equity holders of the Company          | 4,090                                 | 6,336         | 4,736                               | 7,880          |
| Non-controlling interests              | (82)                                  | (321)         | (634)                               | (838)          |
| <b>EPS (in US cents)</b>               |                                       |               |                                     |                |
| Basic.....                             | 4.18                                  | 6.43          | 4.83                                | 7.99           |
| Diluted.....                           | 4.12                                  | 6.34          | 4.74                                | 7.87           |

(1) This line item includes amortization and depreciation expenses related to operations

### Three-month period ended June 30, 2026 – Q2 2026

#### Revenue

- Revenue increased 22.4% to US\$84.5 million in Q2 2026, driven by solid activity in Canada, the United States and South America.
- The rig utilization rate in Q2 2026 was 51% compared to 35% in Q2 2025.

#### Profitability

- Gross margin for Q2 2026, including depreciation within cost of sales, amounted to US\$13.1 million, or 15.5% of revenue, compared with US\$14.1 million, or 20.5% of revenue, in Q2 2025, reflecting inflation in labor and key drilling consumables. There is a temporary lag between cost inflation and contractual price adjustments. The Company is actively negotiating revised price adjustment formulas across its contract portfolio to better offset cost inflation. In addition, the start-up and ramp-up of several large long-term contracts also diluted margins due to mobilization costs and lower initial operating efficiency.
- During the quarter, EBITDA amounted to US\$15.0 million (17.8% of revenue) compared to US\$14.0 million (20.3% of revenue) in the prior-year period.
- Net profit for the quarter amounted to US\$4.0 million compared to US\$6.0 million in the prior-year period.

### Six-month period ended June 30, 2026 – H1 2026

#### Revenue

- Revenue increased 21.5% to US\$150.8 million in H1 2026, driven by strong activity across most regions, particularly Canada, the United States and South America.

#### Profitability

- Gross margin for H1 2026, including depreciation within cost of sales, amounted to US\$20.1 million, representing 13.4% of revenue, compared with US\$21.9 million, or 17.6% of revenue, in H1 2025. Gross margin was impacted by the mobilization of several major long-term contracts. These contracts typically generate lower margins during their initial ramp-up phase before reaching normalized productivity levels. Inflation in production costs, particularly labor and drilling consumables also impacted gross margin.

- During the six-month period, EBITDA amounted to US\$22.4 million (14.9% of revenue) compared to US\$21.0 million (17% of revenue) in the prior-year period.
- Net profit for the six-month period amounted to US\$4.1 million compared to US\$7.0 million in the prior-year period.

#### Net debt

- Net debt, including IFRS 16 lease liabilities, stood at US\$85.7 million at June 30, 2026 compared to US\$71.1 million as of December 31, 2025 as additional working capital and Capex financing was secured during the quarter to support growth.

#### Revenue

| (In thousands of US\$) - (unaudited) | <u>Q2 2026</u> | <u>% change</u> | <u>Q2 2025</u> | <u>H1 2026</u> | <u>% change</u> | <u>H1 2025</u> |
|--------------------------------------|----------------|-----------------|----------------|----------------|-----------------|----------------|
| <u>Reporting segment</u>             |                |                 |                |                |                 |                |
| Mining .....                         | 70,527         | 23%             | 57,479         | 127,536        | 26%             | 101,217        |
| Water.....                           | 13,988         | 21%             | 11,584         | 23,234         | 2%              | 22,856         |
| <b>Total revenue.....</b>            | <b>84,515</b>  | <b>22%</b>      | <b>69,063</b>  | <b>150,770</b> | <b>22%</b>      | <b>124,073</b> |
| <u>Geographic region</u>             |                |                 |                |                |                 |                |
| North America.....                   | 32,275         | 28%             | 25,273         | 57,356         | 32%             | 43,372         |
| Asia Pacific.....                    | 23,158         | -6%             | 24,637         | 37,229         | -17%            | 45,030         |
| South America.....                   | 21,938         | 94%             | 11,325         | 41,944         | 96%             | 21,443         |
| Europe, Middle East and Africa ..... | 7,144          | -9%             | 7,828          | 14,241         | -               | 14,228         |
| <b>Total revenue.....</b>            | <b>84,515</b>  | <b>22%</b>      | <b>69,063</b>  | <b>150,770</b> | <b>22%</b>      | <b>124,073</b> |

#### Q2 2026

Revenue in Q2 2026 increased to US\$84.5 million, up 22.4% compared to Q2 2025. This strong performance reflects sustained demand for the Company's drilling services and the successful mobilization of several long-term contracts secured over the past twelve months. Growth was primarily driven by Canada, the United States and South America, where activity continued to expand across both existing operations and newly awarded projects.

Revenue in North America increased by 28% to US\$32.3 million in Q2 2026, compared to US\$25.3 million in Q2 2025. Growth was driven by the continued ramp-up of long-term contracts mobilized in late 2025 and early 2026, particularly in Canada and the United States. Activity levels remained strong throughout the quarter, supported by sustained customer demand and increased rig utilization.

Revenue in Asia Pacific decreased by 6% compared to Q2 2025, mainly reflecting the phasing of contract activity and the timing of new project mobilizations.

Revenue in South America increased by 94% to US\$21.9 million, compared to US\$11.3 million in Q2 2025. Activity remained robust in Chile under long-term contracts, while Brazil delivered exceptional growth driven by the successful mobilization of several new long-term contracts. As a result, revenue in Brazil more than tripled compared to the prior-year quarter.

In the EMEA region, revenue decreased to US\$7.1 million from US\$7.8 million in Q2 2025, primarily due to delays by certain customers in providing access to drilling platforms, resulting in a temporary delay in project execution.

Overall, rig utilization rate in Q2 2026 was 51% compared to 35% in Q2 2025.

#### H1 2026

Revenue in H1 2026 reached US\$150.8 million, an increase of 21.5% compared with H1 2025, reflecting sustained demand for the Company's drilling services and the successful mobilization of several long-term contracts secured over the past twelve months. Growth was broad-based, led by Canada, the United States and South America.

Revenue in North America increased by 32% to US\$57.4 million in H1 2026, compared to US\$43.4 million in H1 2025. Growth was primarily driven by the continued ramp-up of long-term contracts mobilized in Canada and the United States during the period.

Revenue in Asia Pacific decreased by 17% compared to H1 2025 primarily reflecting the phasing of contract activity during the period.

Revenue in South America increased by 96% to US\$41.9 million, compared to US\$21.4 million in H1 2025. Activity remained strong in Chile under long-term contracts, while Brazil continued to deliver strong growth following the mobilization of several new long-term contracts. As a result, revenue in Brazil increased by 133% compared to H1 2025.

In the EMEA region, revenue remained stable at US\$14.2 million in H1 2026, broadly in line with the prior-year period.

### Gross profit

| (In thousands of US\$) - (unaudited) | <u>Q2 2026</u>       | <u>% change</u>   | <u>Q2 2025</u>       | <u>H1 2026</u>       | <u>% change</u>   | <u>H1 2025</u>       |
|--------------------------------------|----------------------|-------------------|----------------------|----------------------|-------------------|----------------------|
| <u>Reporting segment</u>             |                      |                   |                      |                      |                   |                      |
| Mining .....                         | 8,563                | -17%              | 10,336               | 13,079               | -9%               | 14,376               |
| Water .....                          | <u>4,497</u>         | <u>19%</u>        | <u>3,790</u>         | <u>7,070</u>         | <u>-5%</u>        | <u>7,479</u>         |
| <b>Total gross profit .....</b>      | <b><u>13,060</u></b> | <b><u>-8%</u></b> | <b><u>14,126</u></b> | <b><u>20,149</u></b> | <b><u>-8%</u></b> | <b><u>21,855</u></b> |

#### Q2 2026

Gross margin for Q2 2026, including depreciation within cost of sales, amounted to US\$13.1 million, or 15.5% of revenue, compared with US\$14.1 million, or 20.5% of revenue, in Q2 2025, reflecting inflation in labor and key drilling consumables. There is a temporary lag between cost inflation and contractual price adjustments... The Company is actively negotiating revised price adjustment formulas across its contract portfolio to better offset cost inflation. In addition, the start-up and ramp-up of several large long-term contracts also diluted margins due to mobilization costs and lower initial operating efficiency.

#### H1 2026

Gross margin for H1 2026, including depreciation within cost of sales, amounted to US\$20.1 million, representing 13.4% of revenue, compared with US\$21.9 million, or 17.6% of revenue, in H1 2025. Gross margin was impacted by the mobilization of several major long-term contracts. These contracts typically generate lower margins during their initial ramp-up phase before reaching normalized productivity levels. Inflation in production costs, particularly labor and drilling consumables also impacted gross margin.

### Selling, General and Administrative Expenses

| (In thousands of US\$) - (unaudited)         | <u>Q2 2026</u> | <u>% change</u> | <u>Q2 2025</u> | <u>H1 2026</u> | <u>% change</u> | <u>H1 2025</u> |
|----------------------------------------------|----------------|-----------------|----------------|----------------|-----------------|----------------|
| Selling, general and administrative expenses | 5,438          | 15%             | 4,726          | 10,468         | 9%              | 9,561          |

#### Q2 2026

SG&A expenses increased by 15% compared to the prior-year quarter mainly due to the new operational setup in the United States. As a percentage of revenue, SG&A decreased to 6.4% from 6.8% in Q2 2025.

#### H1 2026

SG&A expenses increased by 9% compared with the prior-year period. As a percentage of revenue, SG&A decreased to 6.9% from 7.7% in H1 2025.

### Operating result

| (In thousands of US\$) - (unaudited) | <u>Q2 2026</u>      | <u>% change</u>    | <u>Q2 2025</u>      | <u>H1 2026</u>      | <u>% change</u>    | <u>H1 2025</u>       |
|--------------------------------------|---------------------|--------------------|---------------------|---------------------|--------------------|----------------------|
| <u>Reporting segment</u>             |                     |                    |                     |                     |                    |                      |
| Mining .....                         | 4,025               | -40%               | 6,692               | 4,213               | -39%               | 6,887                |
| Water .....                          | <u>3,597</u>        | <u>20%</u>         | <u>2,997</u>        | <u>5,468</u>        | <u>-4%</u>         | <u>5,696</u>         |
| <b>Total operating profit .....</b>  | <b><u>7,622</u></b> | <b><u>-21%</u></b> | <b><u>9,689</u></b> | <b><u>9,681</u></b> | <b><u>-23%</u></b> | <b><u>12,583</u></b> |

#### Q2 2026

The operating profit was US\$7.6 million compared to US\$9.7 million in the same quarter last year.

#### H1 2026

The operating profit was US\$9.7 million compared to US\$12.6 million in the same period last year.

## Liquidity and Capital Resources

The following table provides a summary of the Company's cash flows for H1 2026 and H1 2025:

| (In thousands of US\$)                                                  | <u>H1 2026</u>       | <u>H1 2025</u>       |
|-------------------------------------------------------------------------|----------------------|----------------------|
| <b>Cash generated by operations before working capital requirements</b> | <b>22,393</b>        | <b>21,032</b>        |
| Working capital requirements                                            | (14,613)             | (7,893)              |
| Income tax paid                                                         | (1,431)              | (7,565)              |
| Purchase of equipment in cash                                           | (16,412)             | (9,777)              |
| <b>Free Cash Flow before debt servicing</b>                             | <b>(10,063)</b>      | <b>(4,203)</b>       |
| Proceeds from / (repayment of) long-term debt                           | 1,614                | (5,637)              |
| Proceeds / (Repayment) of working capital financing                     | 2,165                | 8,531                |
| Interest paid                                                           | (3,075)              | (2,877)              |
| Acquisition of treasury shares                                          | (824)                | (721)                |
| Deconsolidation of EDC Kazakhstan                                       | -                    | (5)                  |
| <b>Net cash generated / (used in) financing activities</b>              | <b>(120)</b>         | <b>(709)</b>         |
| <b>Net cash variation</b>                                               | <b>(10,183)</b>      | <b>(4,912)</b>       |
| Foreign exchange differences                                            | 172                  | 1,325                |
| <b>Variation in cash and cash equivalents</b>                           | <b>(10,011)</b>      | <b>(3,588)</b>       |
| <b>Cash and cash equivalents at the end of the period</b>               | <b><u>17,292</u></b> | <b><u>20,775</u></b> |

In H1 2026, the cash generated from operations before working capital requirements amounted to US\$22.4 million compared to US\$21.0 million in H1 2025.

During the same period, working capital requirements were US\$14.6 million, an increase compared to the same period last year, primarily driven by increased activity and the ramp-up of new contracts.

During the period, capital expenditures totaled US\$16.4 million in cash, compared to US\$9.8 million in H1 2025. Capex primarily relates to six rigs, as well as ancillary equipment and rods associated with long-term contracts secured in 2025, which contributed to the record order book of US\$404 million as of December 31, 2025.

During the period, the Group secured new financing arrangements to support its investment program and working capital needs, including a US\$16.0 million loan to finance capital expenditures and a US\$4.0 million credit line in the United States dedicated to working capital.

## Strategy

The Company's strategy is to assist its customers in exploring or managing their deposits throughout the entire cycle, with a special focus on the life of mine activity. The Company intends to continue developing and growing its services across the world with a focus on stable jurisdictions, high tech drilling services, optimal commodities mix including battery metals and gold - with a significant presence in water related drilling services - and a gradual implementation of remote-controlled rigs and other advanced digital applications. The Company expects to execute its strategy primarily through organic growth and targeted acquisitions.

The Company addressed the environmental, social and governance (ESG) requirements, and implemented a pragmatic and measurable approach to ESG with quantitative KPIs to maximize improvement and efficiencies.

## Currency exchange rates.

The exchange rates for the periods under review are provided in the Management's Discussion and Analysis of Q2 2026.

## Non-IFRS measures

EBITDA represents Net income before interest expense, income taxes, depreciation, amortization and non-cash share based

compensation expenses. EBITDA is a non-IFRS quantitative measure used to assist in the assessment of the Company's ability to generate cash from its operations. The Company believes that the presentation of EBITDA is useful to investors because it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the drilling industry. EBITDA is not defined in IFRS and should not be considered to be an alternative to Profit for the period or Operating profit or any other financial metric required by such accounting principles.

Net debt corresponds to the current and non-current portions of borrowings and the consideration of payables related to acquisitions, net of cash and cash equivalents. The Company's lease obligations are included in the net debt calculation.

Reconciliation of the EBITDA is as follows:

| (In thousands of US\$)<br>(unaudited)            | <u>Q2 2026</u>       | <u>Q2 2025</u>       | <u>H1 2026</u>       | <u>H1 2025</u>       |
|--------------------------------------------------|----------------------|----------------------|----------------------|----------------------|
| Operating profit / (loss) .....                  | 7,622                | 9,689                | 9,681                | 12,583               |
| Depreciation expense .....                       | 7,241                | 4,154                | 12,399               | 8,137                |
| Non-cash employee share-based compensation ..... | 156                  | 162                  | 314                  | 312                  |
| <b>EBITDA</b> .....                              | <b><u>15,018</u></b> | <b><u>14,005</u></b> | <b><u>22,393</u></b> | <b><u>21,031</u></b> |

### **Conference call and webcast**

On July 31, 2026, Company Management will conduct a conference call at 9:00 am Eastern Time to review the financial results. The call will be hosted by Tim Bremner, CEO, and Fabien Sevestre, CFO.

You can join the call by dialing 1-888-699-1199 or 1-416-945-7677. You will be put on hold until the conference call begins. A live audio webcast of the Conference Call will also be available

<https://app.webinar.net/m6MR5ygxwGv>

Please connect at least 15 minutes prior to the Conference Call to ensure adequate time for any software download that may be needed to hear the webcast. An archived replay of the webcast will be available for 90 days.

### **About Foraco International SA**

Foraco International SA (TSX: FAR) is a leading global mineral drilling services company that provides a comprehensive and reliable service offering in mining and water projects. Supported by its founding values of integrity, innovation and involvement, Foraco has grown into the third largest global drilling enterprise with a presence in 16 countries across five continents. For more information about Foraco, visit [www.foraco.com](http://www.foraco.com).

### **For further information, please contact:**

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### **Caution concerning forward-looking statements**

This document may contain "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws. These statements and information include estimates, forecasts, information, and statements as to Management's expectations with respect to, among other things, the future financial or operating performance of the Company and capital and operating expenditures. Often, but not always, forward-looking statements and information can be identified using words such as "may", "will", "should", "plans", "expects", "intends", "anticipates", "believes", "budget", and "scheduled" or the negative thereof or variations thereof or similar terminology. Forward-looking statements and information are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Readers are cautioned that any such forward-looking statements and information are not guarantees and there can be no assurance that such statements and information will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations are disclosed under the heading "Risk Factors" in the Company's Annual Information Form dated March 2, 2026, which is filed with the Canadian regulators on SEDAR+ ([www.sedarplus.com](http://www.sedarplus.com)). The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements and information whether as a result of new information, future events or otherwise. All written and oral forward-looking statements and information attributable to Foraco or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements.