FORACO INTERNATIONAL S.A.

MANAGEMENT'S DISCUSSION & ANALYSIS

Three-month and nine-month periods ended September 30, 2026



FORACO INTERNATIONAL S.A.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") relates to the results of operations, liquidity, and capital resources of Foraco International S.A. ("Foraco" or the "Company"). This report has been prepared by Management and should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements for the three-month and nine-month periods ended September 30, 2026, including the notes thereto. These quarterly unaudited interim financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS"). Following the decision taken by the Accounting Standards Board, IFRS became the accounting standards for all issuers in Canada on January 1, 2011. The Company adopted IFRS and made an explicit and unreserved statement that its consolidated financial statements comply with IFRS in 2004.

Except as otherwise stated in Note 2 to the unaudited interim condensed consolidated financial statements, these quarterly unaudited condensed interim consolidated financial statements were prepared using accounting policies and methods consistent with those used in the preparation of the Company's audited consolidated financial statements for the year ended December 31, 2025. Except when otherwise stated, all amounts presented in this MD&A are denominated in US Dollars ("US$"). The discussion and analysis within this MD&A are as at October 27, 2026.

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). 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.

This MD&A is presented in the following sections:

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Business Overview

Headquartered in Lunel, France, Foraco is a global provider of drilling services, maintaining a presence in 13 countries across five continents. As of September 30, 2026, the Company had 2,126 employees and had a fleet of 261 drill rigs worldwide, offering a broad range of drilling services to its clients. The Company has developed and acquired significant expertise including proprietary drill rig design capabilities. Its global operations cater to a variety of industries, with an emphasis on long-term valuable commodities and water.

Foraco's strategy involves assisting its clients in exploring or managing their deposits throughout the entire life cycle, with particular emphasis on activities extending the lifespan of mines. The Company plans to continue expanding its services worldwide, prioritizing stable jurisdictions, high-tech drilling services, and an optimal mix of commodities, including battery metals and gold. Foraco maintains a substantial presence in water-related drilling services. It is also gradually implementing advanced digital applications. The Company anticipates achieving its strategic goals primarily through organic growth and targeted acquisitions.

Foraco is attentive to environmental, social, and governance (ESG) requirements. It has implemented a pragmatic and measurable approach to ESG, using quantitative KPIs to ensure maximum improvements and efficiencies.

Interim Consolidated Financial Highlights

Income Statement

	2026	2025	2026	2025
Revenue	**86,214**	**71,018**	**236,984**	**195,091**
Gross profit (1)	**14,375**	**13,997**	**34,523**	**35,852**
As a percentage of sales	*16.7%*	*19.7%*	*14.6%*	*18.4%*
EBITDA	**15,373**	**14,214**	**37,767**	**35,246**
As a percentage of sales	*17.8%*	*20.0%*	*15.9%*	*18.1%*
Operating profit	**8,718**	**9,194**	**18,399**	**21,777**
As a percentage of sales	*10.1%*	*12.9%*	*7.8%*	*11.2%*
Net profit for the period	**4,434**	**5,467**	**8,535**	**12,509**
Attributable to:				
Equity holders of the Company	4,462	5,505	9,198	13,385
Non-controlling interests	(28)	(38)	(662)	(876)
EPS (in US cents)				
Basic	4.56	5.56	9.39	12.70
Diluted	4.49	5.49	9.24	12.54

(1) includes amortization and depreciation expenses related to operations.

Three-month period ended September 30, 2026 – Q3 2026

Revenue

- Revenue reached US$86.2 million in Q3 2026, up 21.4% year over year, with growth across most regions.
- The rig utilization rate in Q3 2026 was 53% compared to 35% in Q3 2025.

Profitability

- Gross profit reached US$14.4 million, representing 16.7% of revenue, compared with US$14.0 million and 19.7% in Q3 2025. The gross margin improved from 15.5% in Q2 2026 but remained below the prior-year level. Inflationary pressures not yet fully reflected in pricing, below-target margins on certain contracts, for which corrective measures are already underway, and additional temporary maintenance costs incurred to prepare equipment for upcoming programs weighed on profitability.
- During the quarter, EBITDA amounted to US$15.4 million (17.8% of revenue) compared to US$14.2 million (20.0% of revenue) in the prior-year period, driven by revenue growth.
- Net profit for the quarter declined to US$4.4 million from US$5.5 million in the prior-year period, reflecting higher depreciation and amortization expenses (US$6.5 million versus US$4.9 million) and finance costs (US$2.4 million versus US$1.5 million), associated with the Company's investment program and increased financing requirements.

Nine-month period ended September 30, 2026 – YTD Q3 2026

Revenue

- Revenue for the first nine months of 2026 reached US$237.0 million, up 21.5% year over year.

Profitability

- Gross profit for the nine-month period was US$34.5 million, or 14.6% of revenue, compared with US$35.9 million, or 18.4%, a year earlier. Revenue growth has not yet translated into a corresponding improvement in gross profit, as mobilization costs, contract-level productivity challenges and inflation continued to affect margins.

- During the nine-month period, EBITDA amounted to US$37.8 million (15.9% of revenue) compared to US$35.2 million (18.1% of revenue) in the prior-year period.

- Net profit for the nine-month period amounted to US$8.5 million from US$12.5 million in the prior-year period, reflecting higher depreciation and amortization expenses (US$18.9 million versus US$13.0 million) and finance costs (US$6.3 million versus US$4.5 million), associated with the Company's investment program and increased financing requirements.

Net debt

- Net debt, including IFRS 16 lease liabilities, was US$78.1 million at September 30, 2026, from US$85.7 million at June 30, 2026, a reduction of US$7.6 million during the quarter. It remained above the US$71.1 million reported at December 31, 2025, reflecting capital expenditures and increased working capital requirements over the first nine months of the year.

Results of Operations

Comparison of the three-month periods ended September 30, 2026, and September 30, 2025

Revenue

The following table provides a breakdown of the Company's revenue for Q3 2026 and Q3 2025 by reporting segment and geographic region:

(In thousands of US$) - *(unaudited)*	**Q3 2026**	**% change**	**Q3 2025**
Reporting segment			
Mining	75,963	25%	60,831
Water	10,251	1%	10,187
Total revenue	**86,214**	**21%**	***71,018***
Geographic region			
North America	35,598	39%	25,564
Asia Pacific	21,359	-10%	23,737
South America	21,169	29%	16,356
Europe, Middle East and Africa	8,088	51%	5,361
Total revenue	**86,214**	**21%**	***71,018***

Q3 2026 revenue increased across all regions to US$86.2 million, up 21.4% year over year, except in Asia Pacific, where we are mobilizing resources to deliver on major new contracts already signed.

North American revenue rose 39% to US$35.6 million from US$25.6 million in Q3 2025, reflecting higher drilling volumes in Canada and the continued expansion of activity in the United States. US operations accounted for approximately half of the regional increase.

Asia Pacific revenue decreased by 10% year over year to US$21.4 million. In Australia, the completion of a prior-year program and further postponements of mobilizations and planned work on a major customer contract temporarily limited activity. Shorter-duration programs partly mitigated this reduction, but activity remained affected by the timing of customer programs.

South American revenue increased by 29% to US$21.2 million, driven primarily by Brazil, where quarterly revenue nearly doubled year over year. Compared with the prior-year period, activity in Chile and Argentina was affected by operational challenges and severe weather conditions.

EMEA revenue increased by 51% to US$8.1 million from US$5.4 million in Q3 2025, mainly supported by increased activity in Africa.

Overall, the rig utilization rate in Q3 2026 was 53% compared to 35% in Q3 2025.

Gross Profit

The following table provides a breakdown of the Company's gross profit by reporting segment for Q3 2026 and Q3 2025:

(In thousands of US$) - *(unaudited)*	**Q3 2026**	**% change**	**Q3 2025**
Reporting segment			
Mining	10,730	0%	10,741
Water	3,645	12%	3,256
Total gross profit	**14,375**	**3%**	***13,997***

Gross profit increased slightly to US$14.4 million from US$14.0 million in Q3 2025 but declined in percentage of revenue from 19.7% to 16.7%. Performance was affected by cost inflation, below-target margins on certain contracts and higher equipment maintenance expenses ahead of upcoming programs.

Selling, General and Administrative Expenses

The following table provides an analysis of the selling, general and administrative expenses (SG&A):

(In thousands of US$) - *(unaudited)*	**Q3 2026**	**% change**	**Q3 2025**
Selling, general and administrative expenses	5,656	18%	4,803

SG&A expenses rose by 18% to US$5.7 million, primarily reflecting the expanded operating structure in the United States. As a percentage of revenue, SG&A was 6.6%, compared with 6.8% in Q3 2025.

Operating result

The following table provides a breakdown of the Company's operating result for Q3 2026 and Q3 2025 by reporting segment:

(In thousands of US$) - *(unaudited)*	**Q3 2026**	**% change**	**Q3 2025**
Reporting segment			
Mining	5,746	-13%	6,627
Water	2,972	16%	2,567
Total operating profit	**8,718**	**-5%**	**9,194**

Operating profit was US$8.7 million compared to US$9.2 million in the same quarter last year.

Finance costs

Net financial expenses increased to US$2.4 million in Q3 2026 from US$1.5 million in Q3 2025, reflecting the higher cost of financing and the debt required to fund investments and working capital.

Income tax

The 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 Q3 2026, corporate income tax expense amounted to US$1.9 million, down from US$2.2 million in the same period of the previous year.

Comparison of the nine-month periods ended September 30, 2026, and September 30, 2025

Revenue

The following table provides a breakdown of the Company's revenue for YTD Q3 2026 and YTD Q3 2025 by reporting segment and geographic region:

(In thousands of US$) - *(unaudited)*	**YTD Q3 2026**	**% change**	**YTD Q3 2025**
Reporting segment			
Mining	203,499	26%	162,048
Water	33,485	1%	33,043
Total revenue	**236,984**	**21%**	***195,091***
Geographic region			
North America	92,954	35%	68,936
Asia Pacific	58,588	-15%	68,767
South America	63,113	67%	37,799
Europe, Middle East and Africa	22,329	14%	19,589
Total revenue	**236,984**	**21%**	***195,091***

Revenue for the first nine months of 2026 increased by 21.5% year over year to US$237.0 million. Higher activity in North America, South America and EMEA more than offset reduced volumes in Asia Pacific where we are ramping up resources to support upcoming significant contracts secured.

North American revenue increased by 35% to US$93.0 million from US$68.9 million, reflecting increased drilling activity in Canada and the development of operations in the United States.

Asia Pacific revenue decreased by 15% year over year. Customer-driven postponements of work programs and rig mobilizations temporarily constrained revenue.

South American revenue increased by 67% to US$63.1 million from US$37.8 million, mainly driven by Brazil, where revenue more than doubled.

In the EMEA region, revenue increased by 14% to US$22.3 million in YTD Q3 2026 compared to US$19.6 million in YTD Q3 2025.

Gross Profit

The following table provides a breakdown of the Company's gross profit by reporting segment for YTD Q3 2026 and YTD Q3 2025:

(In thousands of US$) - *(unaudited)*	**YTD Q3 2026**	**% change**	**YTD Q3 2025**
Reporting segment			
Mining	23,809	-5%	25,117
Water	10,714	0%	10,735
Total gross profit	**34,523**	**-4%**	***35,852***

Gross profit for the first nine months of 2026 declined to US$34.5 million from US$35.9 million, despite the 21.5% increase in revenue. Gross margin decreased to 14.6% from 18.4%, reflecting inflation in production costs, mobilization and maintenance expenses, and margins below expectations on certain contracts.

Selling, General and Administrative Expenses

The following table provides an analysis of the selling, general and administrative expenses (SG&A):

(In thousands of US$) - *(unaudited)*	**YTD Q3 2026**	**% change**	**YTD Q3 2025**
Selling, general and administrative expenses	16,124	12%	14,364

SG&A expenses increased by 12% to US$16.1 million, reflecting the broader operating structure associated with the expansion in activity. They represented 6.8% of revenue, compared with 7.4% in the prior-year period.

Operating result

The following table provides a breakdown of the Company's operating result for YTD Q3 2026 and YTD Q3 2025 by reporting segment:

(In thousands of US$) - *(unaudited)*	**YTD Q3 2026**	**% change**	**YTD Q3 2025**
Reporting segment			
Mining	9,959	-26%	13,514
Water	8,440	2%	8,263
Total operating profit	**18,399**	**-16%**	**21,777**

Operating profit was US$18.4 million compared to US$21.8 million in the same period last year.

Finance costs

Net financial expenses increased to US$6.3 million from US$4.5 million, reflecting higher financing requirements and associated interest costs.

Income tax

The 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 YTD Q3 2026, corporate income tax expense amounted to US$3.5 million, down from US$4.8 million in the same period of the previous year.

Seasonality

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 through 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. In Chile, certain contracts are also affected in July and August, when the winter season peaks.

Effect of Exchange Rates

The Company's operations span across a vast array of countries, each with their own functional currencies such as, Euros, Canadian Dollars, Australian Dollars, Chilean Pesos and Brazilian Reals. The US Dollar has been adopted as the presentation currency for group reporting purposes. Over recent quarters, the US Dollar has experienced significant fluctuations in its value. This volatility has an impact on the Company's financial statements, due to the currency conversion required for financial reporting purposes.

The Company mitigates its net exposure to foreign currency fluctuations by balancing its costs, revenues and financing in local currencies, resulting in a natural hedge.

The exchange rates against the US Dollar for the periods under review are as follows:

	Average Q3 2026	Average Q3 2025	Average Q2 2026	Average Q2 2025	Average Q1 2026	Average Q1 2025	Closing Q3 2026	Closing Q4 2025
€	0.87	0.86	0.86	0.88	0.85	0.95	0.88	0.85
CAD	1.40	1.38	1.38	1.38	1.37	1.44	1.42	1.37
AUD	1.42	1.53	1.41	1.56	1.44	1.59	1.43	1.49
CLP	932	959	900	946	886	964	969	909
BRL	5.14	5.45	5.05	5.67	5.27	5.86	5.22	5.53

Liquidity and Capital Resources

The following table provides a summary of the Company's cash flows for YTD Q3 2026 and YTD Q3 2025:

(In thousands of US$)	YTD Q3 2026	YTD Q3 2025
Cash generated by operations before working capital requirements	**37,767**	**35,245**
Working capital requirements	(15,696)	(6,835)
Income tax paid	(748)	(10,258)
Purchase of equipment in cash	(20,972)	(14,460)
Free Cash Flow before debt servicing	**352**	**3,692**
Proceeds from / (repayment of) long-term debt	(929)	(9,585)
Proceeds / (Repayment) of working capital financing	2,639	11,204
Interest paid	(4,563)	(4,312)
Acquisition of treasury shares	(824)	(1,117)
Deconsolidation of EDC Kazakhstan	-	(5)
Net cash generated / (used in) financing activities	**(3,677)**	**(3,815)**
Net cash variation	**(3,326)**	**(122)**
Foreign exchange differences	253	698
Variation in cash and cash equivalents	**(3,073)**	**576**
Cash and cash equivalents at the end of the period	**24,230**	**24,938**

Cash generated from operations before working capital movements reached US$37.8 million for the first nine months of 2026, versus US$35.2 million a year earlier. Cash generation improved, although at a slower pace than revenue.

Working capital absorbed US$15.7 million during the first nine months, compared with US$6.8 million a year earlier, reflecting the cash requirements associated with higher activity and new contract execution. Cash conversion therefore remains an area of focus.

During the period, capital expenditures totaled US$21.0 million in cash, compared to US$14.5 million in YTD Q3 2025. Capex primarily relates to seven 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.

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

In thousands of US$	**September 30, 2026**
Credit lines	19,243
Long-term debt	
Within one year	17,782
Between 1 and 2 years	13,132
Between 2 and 3 years	17,887
Between 3 and 4 years	26,269
Between 4 and 5 years	2,171
More than 5 years	-
Total	**96,485**
IFRS 16	5,857
Cash	(24,230)
Net Debt	**78,112**

As at September 30, 2026, cash and cash equivalents totaled US$24.2 million, compared to US$27.3 million as at December 31, 2025. Cash and cash equivalents are mainly held with, or invested through, top-tier financial institutions.

As at September 30, 2026, the net debt including operating lease obligations (IFRS 16) was US$78.1 million (US$71.1 million as at December 31, 2025).

At September 30, 2026, the Company had US$21.6 million of undrawn financing facilities, comprising US$2.8 million of available overdraft facilities and US$18.8 million of undrawn long-term financing, and remained compliant with its financial covenants. Net debt declined during Q3, although working capital requirements and the profitability of certain contracts remain important considerations for liquidity management.

Cash Transfer Restrictions
Foraco operates in several different countries where cash transfer restrictions apply. The Company limits its activities in countries where there are such restrictions. No excess cash is held in countries where cash transfer restrictions are in force.

Related-Party Transactions

For details of related party transactions, please refer to Note 14 of the unaudited condensed interim consolidated financial statements. Related-party transactions mainly consist of routine intercompany services and management compensation, conducted on an arm's-length basis.

Capital Stock

As at September 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	26,155,191
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 (*)	68,301,338
Total shares issued	**99,251,798**
Common shares held by the Company	(1,400,197)
Total common shares outstanding	**97,851,601**

**In the table above, the shares owned indirectly are presented as an amount corresponding to the pro rata of the ownership interest*

***1,400,197 common shares are held by the Company to meet the Company's obligations under the employee free share plan.*

Critical Accounting Judgments and Estimates

The unaudited condensed interim consolidated financial statements have been prepared in accordance with IFRS. The Company's significant accounting policies are described in Note 2 to the Annual and unaudited condensed interim consolidated financial statements. As required by IAS 1, the depreciation of property, plant and equipment related to operations is included within cost of sales.

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 as this 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 as an alternative to Profit for the period or Operating profit or any other financial metric required by such accounting principles.

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.
Reconciliation of EBITDA is as follows:

(In thousands of US$) *(unaudited)*	Q3 2026	Q3 2025	YTD Q3 2026	YTD Q3 2025
Operating profit / (loss)	8,718	9,194	18,399	21,777
Depreciation expense	6,505	4,891	18,904	13,027
Non-cash employee share-based compensation	150	129	464	441
EBITDA	***15,373***	***14,214***	***37,767***	***35,246***

Litigation and claims

Generally, the Company is subject to legal proceedings, claims and legal action arising in the ordinary course of business. The Company's Management does not expect the outcome of these matters to have a material adverse effect on either the Company's consolidated financial position, results of operations or cash flows.

Off-balance sheet arrangements

The Company has no off-balance sheet arrangements that are reasonably likely to affect its financial condition or liquidity.

Subsequent Events

There were no significant post balance sheet events.

Internal Controls over Financial Reporting (ICFR) / Disclosure Controls

Management continues to assess the effectiveness of internal controls over financial reporting. No material changes were identified during the quarter.

Risk Factors

For a comprehensive discussion of the important factors that could impact the Company's operating results, please refer to the Company's Annual Information Form dated March 2, 2026, under the heading "Risk Factors", which has been filed with the Canadian regulators on SEDAR+ (www.sedarplus.com). No new material risks have been identified during the quarter.