Anaergia Inc.

Condensed Consolidated Interim Financial Statements
(Unaudited)
(in thousands of Canadian Dollars)

ANAERGIA INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

As of September 30, 2025 and December 31, 2024
All amounts in thousands of Canadian Dollars

	Notes	September 30, 2025 (unaudited)	December 31, 2024
		$	**$**
ASSETS			
Current assets			
Cash		28,833	30,220
Restricted cash		10,327	14,769
Trade and other receivables		29,459	26,934
Contract assets		8,755	10,757
Prepaid expenses		5,200	3,754
Inventories		11,328	8,425
Other current assets		9,560	9,359
Total current assets		**103,462**	**104,218**
Non-current assets			
Restricted cash		278	287
Property, plant and equipment, net	6	104,020	108,203
Intangible assets, net	6	2,437	2,560
Deferred tax assets		3,571	4,068
Other long-term assets	7	23,444	13,991
Total non-current assets		**133,750**	**129,109**
Total assets		**237,212**	**233,327**

See notes to the condensed consolidated interim financial statements.

ANAERGIA INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

As of September 30, 2025 and December 31, 2024
All amounts in thousands of Canadian Dollars

	Notes	September 30, 2025 (unaudited)	December 31, 2024
LIABILITIES		**$**	**$**
Current liabilities			
Accounts payable		36,579	28,598
Accrued liabilities and provisions		27,408	30,242
Taxes payables		10,409	7,472
Current portion of deferred government grants		276	4,791
Current portion of contract liabilities		35,943	17,939
Current portion of lease liabilities		2,099	2,273
Current portion of long-term debt	8	30,871	32,334
Total current liabilities		**143,585**	**123,649**
Non-current liabilities			
Long-term portion of deferred government grants		3,176	4,608
Long-term portion of contract liabilities		1,673	1,634
Long-term portion of lease liabilities		8,588	9,297
Long-term debt	8	24,991	27,806
Asset retirement obligations		2,548	2,562
Deferred tax liabilities		6,459	6,794
Derivative liability		1,224	733
Other long-term liabilities		2,808	3,039
Total non-current liabilities		**51,467**	**56,473**
Total liabilities		**195,052**	**180,122**
SHAREHOLDERS' EQUITY			
Non-controlling interests	9	105,077	110,850
Issued capital	9	439,352	439,315
Contributed surplus	9	8,663	7,350
Deficit		(530,363)	(522,781)
Accumulated other comprehensive income		19,431	18,471
Total equity		**42,160**	**53,205**
Total liabilities and equity		**237,212**	**233,327**

Commitments and contingencies Note 11

See notes to the condensed consolidated interim financial statements.

On behalf of the board:

/s/ Ohad Epschtein Director /s/ Peter Gross Director

ANAERGIA INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF OPERATIONS

For the three and nine months ended September 30, 2025 and 2024

All amounts in thousands of Canadian Dollars, except per share amounts, Unaudited

	Notes	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2025	Nine Months Ended September 30, 2024
		$	$	$	$
Revenue	12	51,363	29,029	108,500	77,589
Cost of sales		36,592	23,032	77,832	60,963
Gross profit		**14,771**	**5,997**	**30,668**	**16,626**
Selling, general, and administrative expenses		13,979	16,726	45,459	48,193
Research and development expenses (recovery)		264	(124)	824	382
Government grant income		(72)	(182)	(6,412)	(734)
Asset impairment loss		—	504	—	1,587
Operating expenses		**14,171**	**16,924**	**39,871**	**49,428**
Income (loss) from operations		**600**	**(10,927)**	**(9,203)**	**(32,802)**
Impairment of Fibracast		—	(4,397)	—	(6,244)
Losses related to equity-accounted investees	7	—	—	—	(1,062)
Other gains (losses), net		330	837	(881)	2,114
Finance costs, net		(1,264)	(875)	(3,546)	(3,524)
Foreign exchange gain (losses)		399	(204)	(1,518)	612
		(535)	(4,639)	(5,945)	(8,104)
Income (loss) before income taxes		**65**	**(15,566)**	**(15,148)**	**(40,906)**
Income tax recovery (expense)		(516)	(45)	(688)	458
Net loss		**(451)**	**(15,611)**	**(15,836)**	**(40,448)**
Net income (loss) attributable to:					
Shareholders		2,391	(9,847)	(7,582)	(27,866)
Non-controlling interests		(2,842)	(5,764)	(8,254)	(12,582)
		(451)	**(15,611)**	**(15,836)**	**(40,448)**
Basic and diluted earnings (loss) per share	13	**0.01**	**(0.01)**	**(0.04)**	**(0.07)**

See notes to the condensed consolidated interim financial statements.

ANAERGIA INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS

For the three and nine months ended September 30, 2025 and 2024

All amounts in thousands of Canadian Dollars, Unaudited

	Notes	Three Months Ended September 30,		Nine Months Ended September 30,	
		2025	2024	2025	2024
		$	$	$	$
Net loss		**(451)**	**(15,611)**	**(15,836)**	**(40,448)**
Items that may be reclassified back to profit or loss in future periods					
Exchange difference on translation of foreign operations		322	(5,632)	61	(2,477)
Fair value gains (losses) related to hedging transaction		(6)	1,038	(592)	224
Total comprehensive loss		**(135)**	**(20,205)**	**(16,367)**	**(42,701)**
Total comprehensive loss attributable to:					
Shareholders		8,558	(14,099)	(6,622)	(31,628)
Non-controlling interests		(8,693)	(6,106)	(9,745)	(11,073)
		(135)	**(20,205)**	**(16,367)**	**(42,701)**

See notes to the condensed consolidated interim financial statements.

ANAERGIA INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

For the nine months ended September 30, 2025

All amounts in thousands of Canadian Dollars, Unaudited

	Issued Share Capital	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income (Loss) -	Total	Non-controlling Interests	Total Equity
	$	$	$	$	$	$	$
As at January 1, 2025	439,315	7,350	(522,781)	18,471	(57,645)	110,850	53,205
Net loss	—	—	(7,582)	—	(7,582)	(8,254)	(15,836)
Other comprehensive gain (loss) - hedging	—	—	—	(2,594)	(2,594)	2,002	(592)
Other comprehensive gain (loss) - foreign currency translation	—	—	—	3,554	3,554	(3,493)	61
Total comprehensive loss	—	—	(7,582)	960	(6,622)	(9,745)	(16,367)
Preferred share issuance to non-controlling interests (Note 9)	—	—	—	—	—	3,972	3,972
RSU Vesting and Option Exercises (Note 10)	37	(6)	—	—	31	—	31
Share based compensation (Note 10)	—	1,319	—	—	1,319	—	1,319
As at September 30, 2025	**439,352**	**8,663**	**(530,363)**	**19,431**	**(62,917)**	**105,077**	**42,160**

See notes to the condensed consolidated interim financial statements.

ANAERGIA INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

For the nine months ended September 30, 2024

All amounts in thousands of Canadian Dollars, Unaudited

	Issued Share Capital	Contributed Surplus	Deficit	Accumulated Other Comprehensive Income (Loss) -	Total	Non-controlling Interests	Total Equity
	$	$	$	$	$	$	$
As at January 1, 2024	397,831	8,066	(479,222)	17,942	(55,383)	128,973	73,590
Net loss	—	—	(27,866)	—	(27,866)	(12,582)	(40,448)
Other comprehensive loss - hedging	—	—	—	640	640	(416)	224
Other comprehensive income (loss) - foreign currency translation	—	—	—	(4,402)	(4,402)	1,925	(2,477)
Total comprehensive loss	—	—	(27,866)	(3,762)	(31,628)	(11,073)	(42,701)
Issuance of shares (Note 9)	36,054	2,532	—	—	38,586	—	38,586
Preferred share issuance to non-controlling interests	—	—	—	—	—	2,353	2,353
Preferred distribution to non-controlling interest	—	—	—	—	—	(7,973)	(7,973)
Exercise of RSUs and stock options (Note 10)	3,315	(3,162)	—	—	153	—	153
Profit sharing arrangement - Anaergia Bioenergy Facilities	—	—	146	(9)	137	(137)	—
Profit sharing arrangement - Rhode Island Bioenergy Facilities	—	—	(9,443)	(46)	(9,489)	9,489	—
Share based compensation (Note 10)	—	3,808	—	—	3,808	—	3,808
As at September 30, 2024	**437,200**	**11,244**	**(516,385)**	**14,125**	**(53,816)**	**121,632**	**67,816**

See notes to the condensed consolidated interim financial statements.

ANAERGIA INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

For the nine months ended September 30, 2025 and 2024

All amounts in thousands of Canadian Dollars, Unaudited

	Notes	Nine Months Ended September 30, 2025	2024
		$	$
OPERATING ACTIVITIES			
Net loss		**(15,836)**	**(40,448)**
Adjustments for the following non-cash items:			
Depreciation and amortization		4,283	4,034
Income tax expense (recovery)		688	(458)
Finance costs		3,546	3,524
Share based compensation expense	10	1,319	3,808
Impairment of Fibracast		—	6,244
Expected credit losses		4,329	1,744
Impairment loss		—	1,587
Losses related to equity-accounted investees	7	—	558
Government grant income		(6,412)	(734)
Other losses (gains)		881	(2,114)
Net change in operating assets and liabilities	14	19,533	(12,410)
Net cash paid for income taxes		(848)	(332)
Cash provided by (used in) operating activities		**11,483**	**(34,997)**
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,542)	(5,787)
Investment in other long-term assets		(16,418)	—
Reimbursement of property, plant and equipment		—	1,315
Proceeds from sale of income tax credits		—	21,679
Investment in intangible assets		(44)	(61)
Cash provided by (used in) investing activities		**(19,004)**	**17,146**
FINANCING ACTIVITIES			
Restricted cash utilization		4,451	8,504
Proceeds from exercise of stock options		6	154
Proceeds from grant funding		465	1,016
Proceeds from issuance of share capital		—	40,800
Proceeds from issuance of preferred capital in a subsidiary		3,972	2,353
Distributions to non-controlling interests		—	(7,975)
Payment of share issuance costs		—	(2,215)
Lease payments		(1,227)	(1,879)
Payment of interest	8	(3,081)	(4,302)
Repayment of debt	8	(3,404)	(3,316)
Cash provided by financing activities		**1,182**	**33,140**
Effect of exchange rate differences		**4,952**	**2,838**
Net change in cash during the period		**(1,387)**	**18,127**
Cash, beginning of period		**30,220**	**22,113**
Cash, end of period		**28,833**	**40,240**

See notes to the condensed consolidated interim financial statements.

1. Corporate information

Anaergia Inc. (the "Company" or "Anaergia") is domiciled in Canada. The Company's registered office is at 4210 South Service Rd., Burlington, ON, L7L 4X5, Canada. The condensed consolidated interim financial statements comprise the Company and its subsidiaries (together referred to as the "Group"). The Group has entities located throughout Europe, North America, Asia, South Africa, and Australia. The Group is primarily involved in the construction of capital projects that generate renewable energy from bio-gas through advanced anaerobic digestion of organic residues from municipal, agricultural, and industrial sources.

The Company was incorporated on September 3, 2010, under the Canada Business Corporations Act. On December 21, 2018, the Company was continued under the Business Corporations Act (British Columbia), and is headquartered in Burlington, Ontario, Canada. On June 18, 2021, the Company completed its initial public offering ("IPO"), that consisted of the issuance of 12,500,000 subordinate voting shares of the Company to be listed on the Toronto Stock Exchange (the "TSX") under the symbol ANRG. On February 24, 2025, Anaergia Inc. commenced trading on the OTCQX Best Market under the ticker symbol "ANRGF."

On December 18, 2023, the Company announced a $40,800 equity investment by Marny Investissement SA ("Marny") by way of an arm's-length, multiple tranche, non-brokered private placement (the "Strategic Investment"). Marny, through a wholly owned subsidiary ("Marny Holdco"), agreed to subscribe for an aggregate of 102,000,000 units of the Company ("Units") at a price of $0.40 per Unit with each Unit consisting of one Common Share and 1/5 of one Common Share purchase warrant of the Company (each a "Warrant"). Each Warrant entitled Marny to purchase one additional Common Share at an exercise price of $0.80 for a period of three years following the closing of the first tranche. With the closing of the third tranche of the Strategic Investment in July 2024, Marny Holdco owned and controlled approximately 60.9% of the voting rights attached to the Subordinate Voting Shares and Multiple Voting Shares (on a non-diluted basis) and approximately 65.2% of the voting rights attached to the Subordinate Voting Shares and Multiple Voting Shares (on a partially diluted basis), assuming the exercise in full of the Warrants.

The condensed consolidated interim financial statements of the Company were authorized for issue on November 11, 2025, by the Board of Directors of the Company.

2. Basis of Preparation

Foreign currency translation

The condensed consolidated interim financial statements are presented in Canadian Dollars, which is the Company's reporting currency. The functional currency of the Group's entities is the currency of their primary economic environment. Within Group entities, transactions in foreign currencies are recorded at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Any resulting exchange differences are recognized within the condensed consolidated interim statements of operations.

On consolidation, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into Canadian Dollars, being the presentation currency, at the exchange rates at the reporting date.

The income and expenses of foreign operations are translated to Canadian Dollars using average exchange rates for the month during which the transactions occurred. Foreign currency differences are recognized in other comprehensive income or loss in the cumulative translation reserve within accumulated other comprehensive income (loss).

Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with and comply with IFRS(R) Accounting Standards as issued by the International Accounting Standards Board ("IASB") ("IFRS Accounting Standards"), specifically International Accounting Standard 34, Interim Financial Reporting. These condensed consolidated interim financial statements have been prepared on the same basis, including accounting policies and methods of computation as the Group's consolidated financial statements as at and for the year-ended December 31, 2024. Under IFRS Accounting Standards, additional disclosures are required in the annual financial statements and therefore, these condensed consolidated interim financial statements should be read in conjunction with the Group's audited financial statements as at and for the year-ended December 31, 2024.

Adoption of new accounting standards

The IASB and the International Financial Reporting Interpretations Committee have issued the following standards and amendments. The Group is evaluating the potential implications of the following pronouncements:

New standards and interpretations not yet adopted

Amendments to IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued Presentation and Disclosure in Financial Statements (Amendments to IFRS 18), a comprehensive new accounting standard which replaces existing IAS 1, “Presentation of Financial Statements”, carrying forward many of the requirements in IAS 1 unchanged and complementing them with new requirements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories, operating, investing and financing, and present subtotals for operating profit or loss and profit or loss before financing and income taxes. Further, operating expenses are presented directly on the face of the income statement and classified either by nature (e.g. employee compensation), by function (e.g. cost of sales) or using a mixed presentation. Expenses presented by function require more detailed disclosures about their nature. IFRS 18 also provides enhanced guidance for aggregation and disaggregation of information in the financial statements, introduces new disclosure requirements for management-defined performance measures and eliminates classification options for interest and dividends in the statement of cash flows. This standard is effective for annual reporting periods beginning on or after January 1, 2027. Earlier application is permitted, but will need to be disclosed. The Company is currently assessing the impact of adopting IFRS 18 on the condensed consolidated interim financial statements.

Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

In May 2024, the IASB issued Financial Instruments (Amendments to IFRS 9) and Financial Instruments: Disclosures (Amendments to IFRS 7), relating to the classification and measurement of financial instruments, which clarify financial assets and financial liabilities are recognized and derecognized at settlement date except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date. They also provide guidelines to assess contractual cash flow characteristics of financial assets, which apply to all contingent cash flows, including those arising from environmental, social, and governance ESG-linked features. Additionally, these amendments introduce new disclosure requirements and update others. The amendments are effective for annual periods starting on or after January 1, 2026. Early adoption is permitted, with an option to early adopt the amendments for contingent features only. The Company is currently assessing the impact of adopting IFRS 9 and IFRS 7 on the condensed consolidated interim financial statements.

3. Related Parties

The Group had the following related party balances as of September 30, 2025 and December 31, 2024.

	Accounts receivable	
	Outstanding Balances at	
Related party:	September 30, 2025	December 31, 2024
Fibracast Ltd. (“Fibracast”)	7	7
MD Waste Management Co Ltd *	11,794	10,557
Bioenergy Pte. Ltd	32	31
W.M. Lyles Co.	230	494
Total	12,063	11,089

	Loans receivable	
	Outstanding Balances at	
Related party:	September 30, 2025	December 31, 2024
Fibracast	524	590
Loan to MD Waste Management Co Ltd., Limassol, dbT (JV partner) **	—	807
Total	524	1,397

	Accounts Payable	
	Outstanding Balances at	
Related party:	September 30, 2025	December 31, 2024
W.M. Lyles Co.	2,394	2,669
Fibracast	72	64
Bioenergy Pte. Ltd	101	99
Total	2,567	2,832

* These accounts receivable with related parties are fully reserved for within the Company's expected credit losses provisions at December 31, 2024 and September 30, 2025.

** These loans receivable balances with related parties are fully reserved for within the Company's expected credit losses provisions at December 31, 2024 and September 30, 2025.

The Group had the following related party transactions for the three and nine months ended September 30, 2025 and 2024.

	Transactions for the Three Months Ended September 30,		Transactions for the Nine Months Ended September 30,	
	2025	2024	2025	2024
Related party:	Revenue for goods and services		Revenue for goods and services	
Rialto	—	696	11	1,637
W.M. Lyles Co.	—	616	418	937
Total	—	1,312	429	2,574
Related party:	Purchases of goods or services		Purchases of goods or services	
Fibracast	—	89	46	89
TGW Holdings ***	—	—	—	—
W.M. Lyles	2,223	1,436	5,096	2,359
Total	2,223	1,525	5,142	2,448

*** During the year ended December 31, 2024, the Company paid $1,824 to TGW Holdings, which was recorded as a prepaid asset. Of this amount, $101 and $342 have been recorded as an expense for the three and nine months ended September 30, 2025, respectively.

Related party guarantees

The Company guaranteed a loan that Fibracast received from the Ontario Government Ministry of Economic Development, Employment, and Infrastructure. The balance outstanding at September 30, 2025, was $nil (December 31, 2024 - $840).

The Company guarantees a loan that Fibracast received from the Economic Development of Southern Ontario in January of 2020. The loan requires monthly payments escalating from $10 to $100 with a balloon payment of $118 due at maturity on June 15, 2028. The balance outstanding at September 30, 2025, was $524 (December 31, 2024 - $590). On July 23, 2024 the Company entered into a Back-stop Agreement with Fibracast, and PTVS Holding Corp., an investor in Fibracast. The Back-stop Agreement provides an unconditional indemnity for Anaergia's guarantee of Fibracast's loan balances with the Province of Ontario and the Federal Economic Development Agency of Southern Ontario.

The Company had guaranteed the payment obligations of Rialto for two vendors in the amount of $nil as of September 30, 2025 (December 31, 2024 - $3,727) which were recorded as liabilities on the accompanying interim condensed consolidated statements of financial position.

4. Disposal and deconsolidation of subsidiaries

Sale of Tønder

On February 22, 2023, the Group sold its equity interests in a subsidiary of Anaergia that owned the Envo Biogas anaerobic digestion facility in Tønder, Denmark. The disposition supports the strategic decision to increase investments in new and existing projects in other European countries. The deferred consideration receivable by the Company was due on August 22, 2024 and is accrued on the accompanying condensed consolidated interim financial statements of financial position in other current assets, however this did not occur and the Company is in dispute. During the second quarter of fiscal year 2025 the Company received $1,443 as partial payment for the sale. The Company is continuing to dispute certain facts and circumstances with the buyer, as a result the timing of the remaining balance is uncertain.

5. Financial instruments – Fair values and risk management

Fair values

The following table shows the carrying amounts and fair values of financial instruments, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value, such as short-term trade receivables and payables.

At September 30, 2025	Carrying amount	Fair Value
		Level 2
Financial assets		
Derivative asset	5	5
	5	**5**
Financial liabilities		
Derivative liability	1,224	1,224
Long-term debt	55,862	56,048
	57,086	**57,272**

At December 31, 2024	Carrying amount	Fair Value
		Level 2
Financial assets		
Derivative asset - other current assets	22	22
	22	**22**
Financial liabilities		
Derivative liability - other long-term liability	733	733
Long-term debt	60,140	61,044
	60,873	**61,777**

Cash flow hedges that qualify for hedge accounting

In October 2023, the Company entered into an interest rate swap with a notional amount of US$20,000 to swap variable rate Prime-based interest payments under its term loan for fixed interest payments bearing an interest rate of 9.04%, inclusive of the loan's applicable credit margin. The interest rate swap has a seven-year term, maturing on September 27, 2030.

The Company has designated the interest rate swap as a cash flow hedge. The effective portion of changes in the fair value of the interest rate swap (unrealized gains/losses) is recorded as a component of "Accumulated other comprehensive income (loss)." For the three and nine months ended September 30, 2025, the Company recorded an unrealized loss on the interest rate swaps of $6 and $592, respectively. The Company expects $205 in losses currently recorded in accumulated other comprehensive income to be recognized in earnings over the next 12 months. The earnings impact of the interest rate derivatives designated as cash flow hedges is recorded upon the recognition of the interest related to the hedged debt. No amount of ineffectiveness was included in net loss for the three and nine months ended September 30, 2025.

Measurement of fair values

The fair value of the SoCal Biomethane, LLC's term loan (Live Oak Secured Indenture) was determined using a discounted cash flow model based on prevailing interest rates at the period-end date for a similar instrument.

The Company used the yield to maturity discounted cash flow analysis to estimate the fair value of the other long-term debt at September 30, 2025 and December 31, 2024. This method involves using national bank treasury yield rates and an option adjusted spread to determine the discounted cash flow for the loans to date of maturity.

The following table shows the valuation techniques used in measuring Level 2 fair values for financial instruments in the condensed consolidated interim statements of financial position, as well as the significant unobservable inputs used.

Financial instruments measured at fair value

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Derivative hedging instrument ………………	Future cash flows	Not applicable	Not applicable

Credit risk

Credit risk is the risk of financial loss to the Group, if a customer, borrower, or counter-party to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers. Customer credit risk is managed by each business unit subject to the Group's established policies, procedures, and controls relating to customer credit risk management.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. The Group mitigates this risk through its credit policies and practices including the use of credit limits and approvals, and by monitoring the financial condition of its customers. The carrying amounts of financial assets, including accounts receivable, and contract assets represent the maximum credit exposure. The Company records a provision for estimated credit losses on loans receivable, accounts receivable and contract assets. Each provision for such losses is specific to the region's past collection history.

In addition, the Group is exposed to credit risk in relation to financial guarantee contracts given to banks on behalf of related parties. The Group's maximum exposure in this respect is the maximum amount the group could have to pay if the guarantee is called. As at September 30, 2025, an amount of $4,211 (December 31, 2024 - $9,145) is the total estimated loss that the Group is exposed to, however, no loss allowance was recognized in profit or loss.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled in cash or another financial asset. The Group's exposure to this risk is mainly in respect of its trade payables, other accounts payable and accrued liabilities, long-term debt, and lease liabilities.

The Group's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group monitors its cash flow requirements to optimize its cash return on investments. The Group aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next 60 days. The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

Market risk

Market risk is the risk that changes in market prices (foreign exchange rates, interest rates, and equity prices) will affect the Group's income or loss or the value of its holdings of financial instruments. Market prices are subject to interest rate risk and currency risk. The Group's financial instruments which are affected by market risk include loans and borrowings, deposits, and a bond-related embedded derivative asset. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Interest rate risk

The Company is exposed to interest rate risk on the Company's variable rate borrowings. Accordingly, interest rate fluctuations affect the amount of interest expense the Company is obligated to pay. The Company currently uses interest rate swap agreements to manage its exposure to interest rate changes. The Company has designated the interest rate swaps as cash flow hedges for accounting purposes. Accordingly, the earnings impact of the derivatives designated as cash flow hedges are recorded upon the recognition of the interest related to the hedged debt. There was no significant ineffectiveness in the three and nine months ended September 30, 2025.

Taking the Company's interest rate swap into account, a sensitivity analysis of the impact on the Company's variable rate corporate debt instruments to a hypothetical 100 basis point increase in short-term rates (Prime) for the nine months ended September 30, 2025 would have resulted in no significant increase in interest expense.

Currency risk

Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the functional currency of the relevant Group entity. The Group operates internationally and is exposed to the risk that the fair value or future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. The Group monitors its exposure to currency risk and reviews whether the use of derivative financial instruments is appropriate to manage potential fluctuations in foreign exchange rates.

Analysis of other accumulated comprehensive income

The below table sets out the reconciliation of each component of other accumulated comprehensive income (loss) and the analysis of other comprehensive income (loss) (all of which are attributable to the equity owners of the Group):

	Foreign currency translation reserve	**Cash flow hedging reserve**
As of January 1, 2024	**18,259**	**(317)**
Foreign currency revaluation of the foreign operations	(597)	—
Foreign currency effect of profit sharing adjustments	(54)	—
Fair value losses related to hedging transaction	—	1,180
As of December 31, 2024	**17,608**	**863**
Foreign currency revaluation of the foreign operations	3,554	—
Fair value gains related to hedging transaction	—	(2,594)
As of September 30, 2025	**21,162**	**(1,731)**

6. Non-financial assets

Property, plant and equipment

The following table presents the summary of property, plant and equipment and related accumulated depreciation for the nine months ended September 30, 2025:

	Property $	Building and leasehold improvements $	Office furniture and equipment $	Equipment and machinery $	Construction work-in-progress $	Other assets and vehicles $	Total $
Cost							
Balance at January 1, 2025	15,769	9,986	5,564	100,949	38,625	1,749	172,642
Additions	12	—	51	23	2,236	220	2,542
Disposals	—	—	(6)	—	—	—	(6)
Other adjustments	334	—	—	—	(485)	16	(135)
Exchange adjustment	(144)	(375)	124	(1,488)	(1,883)	95	(3,671)
Balance at September 30, 2025	**15,971**	**9,611**	**5,733**	**99,484**	**38,493**	**2,080**	**171,372**
Accumulated depreciation, amortization and impairment							
Balance at January 1, 2025	6,273	3,466	5,504	17,480	30,317	1,399	64,439
Depreciation and amortization	1,220	341	207	2,243	—	114	4,125
Disposals	—	—	(6)	—	—	—	(6)
Other adjustments	(127)	—	—	—	—	16	(111)
Exchange adjustment	78	(178)	28	(89)	(1,016)	82	(1,095)
Balance at September 30, 2025	**7,444**	**3,629**	**5,733**	**19,634**	**29,301**	**1,611**	**67,352**
Carrying amounts							
At January 1, 2025	**9,496**	**6,520**	**60**	**83,469**	**8,308**	**350**	**108,203**
At September 30, 2025	**8,527**	**5,982**	**—**	**79,850**	**9,192**	**469**	**104,020**
Of which: Net book value of right of use assets included in property, plant and equipment at September 30, 2025	**8,527**	**—**	**—**	**—**	**—**	**101**	**8,628**

Intangible Assets

The following table presents the summary of intangible assets and related accumulated amortization for the nine months ended September 30, 2025:

	Patents $	Computer Software and Licenses $	Other Intangible Assets $	Total $
Cost				
As of January 1, 2025	4,250	2,164	2,806	9,220
Additions	42	2	—	44
Exchange adjustment	43	112	(4)	151
As of September 30, 2025	**4,335**	**2,278**	**2,802**	**9,415**
Accumulated amortization and impairment				
As of January 1, 2025	2,160	2,107	2,393	6,660
Amortization	123	29	6	158
Exchange adjustment	44	110	6	160
As of September 30, 2025	**2,327**	**2,246**	**2,405**	**6,978**
Carrying amount				
At January 1, 2025	2,090	57	413	2,560
At September 30, 2025	**2,008**	**32**	**397**	**2,437**

Impairment

During the three and nine months ended September 30, 2024, the Company recognized an asset impairment loss of $504 and $1,587, respectively for the Company's RIBF BOO plant operations. This asset impairment loss is based on additional capital expenditures in excess of the prior year value-in-use, which management still estimates as the current value-in-use.

There has been no impairment charge for the nine months ended September 30, 2025, and there were no indicators of impairment identified as a result of the Company's review of events and circumstances related to its existing assets.

7. Other long-term assets

On October 25, 2023, Fibracast completed a private placement offering with a third-party which valued the Company's equity method investee at $63,000 and diluted the Company's ownership to 20.5%. During the year ended December 31, 2024, the Company recognized losses from Fibracast of $1,062 and recognized impairment of $6,244. Due to the dilution of the Company's investment in Fibracast during 2024 that reduced the ownership to be 4.0%, the investment is no longer valued under the equity method of accounting as of December 31, 2024 and the remaining balance of $2,584 has been reclassed to other long-term assets.

On April 9, April 29, and August 1, 2025, the Company was given the opportunity to invest into three new construction BioMethane plants in Italy, that are currently being constructed by the Company through our Capital Sales segment. In return for $16,418, the Company obtained a stake of 12.78% in each plant. The company has made the election at initial recognition to classify the investment as measured at fair value through other comprehensive income. These investments are held in other long-term assets on the statement of financial position as of September 30, 2025.

8. Long-term debt

Terms and repayment schedule

The terms and conditions of outstanding loans and borrowings are as follows:

	Nominal interest rate	Year of maturity	Note	September 30, 2025 Carrying amount	December 31, 2024 Carrying amount
Rhode Island Project Financing Term Loan	Prime plus 1.25%	2030	(a)	27,842	28,770
Live Oak Indenture	5.96%	2032	(b)	12,457	14,031
SoCal Organics Recycling Facility	4.00%	2033	(c)	11,820	13,259
Caterpillar Financial Services Term Loans	5.70% - 6.69%	2025 - 2028	(d)	3,614	4,707
Other	0% - 11.4%	2023 - 2027		638	116
				56,371	60,883
Less: issuance costs				(509)	(743)
Total long-term debt				55,862	60,140
Of which:					
Current				30,871	32,334
Long term				24,991	27,806

(a) Rhode Island Project Financing Term Loan

On September 28, 2023, the Company through its subsidiary, Rhode Island Bioenergy Facility ("RIBF"), closed a US$20,000 term loan (the "Term Loan") with East West Bank, a California Corporation, to finance remaining construction and commissioning of the RIBF project in the Town of Johnston, Rhode Island, USA and working capital. This financing has a seven-year term, and bears interest on US Dollar denominated drawn funds at an annual rate equal to the prime rate as published in the Wall Street Journal (or another similar publication selected by the lender) plus 1.25%, subject to adjustment based on a swap agreement to be entered into within ten days after closing, and a floor of 7.5%. The loan is subject to certain positive and negative covenants that are customary for transactions of this nature, including liens and security interests in assets of RIBF. The financial covenants for this Term Loan are not effective until June 30, 2025, resulting from an amendment and restatement of the initial term loan agreements executed on September 30, 2024. On October 13, 2023, the Company executed an interest rate swap agreement with East West Bank which effectively fixes the interest on the Loan at 9.04%. On May 30, 2025 the Company signed the Second Amendment to Term Loan Agreement and Second Amendment to Blocked Account and Depository Agreement with East West Bank. The Amendment modified the financial covenants of the loan to reduce the production covenants regarding minimum gas production per day, as well as EBITDA requirements for the subsidiary. Due to the Company not being in compliance with certain production covenants during the third quarter of fiscal year 2025, this loan is classified as current as of both December 31, 2024 and September 30, 2025. Subsequent to the balance sheet date the Company requested and was granted a waiver of this covenant as of both December 31, 2024 and September 30, 2025. While the provided waiver grants relief from the covenant, the Company recognizes that it was within the rights of East West Bank to call the loan as of those dates.

(b) Live Oak Secured Indenture

The Company's subsidiary, SoCal Biomethane, LLC entered into a credit agreement with Live Oak Banking Corporation. The credit agreement allows SoCal Biomethane, LLC to borrow up to US$13,000 at a fixed interest rate of 5.96% per annum maturing June 1, 2032. The credit agreement calls for the Company to pay a declining prepayment premium that starts at 4% and declines 1% each year over the first four years of the agreement. The prepayment premium was recognized as an embedded derivative and is accounted for at FVTPL. During the year ended December 31, 2022, SoCal Biomethane, LLC has borrowed US$12,706 and has fully utilized the loan. The indenture is secured by the assets of SoCal Biomethane, LLC. The loan has certain financial covenants including a maximum debt to worth ratio of less than 5:1, a minimum current ratio of greater than one, and minimum debt service coverage ratio of greater than 1.25. As of September 30, 2025, the Company's subsidiary was in compliance with these covenants.

(c) SoCal Organics Recycling Facility Loan

On February 2, 2023, the Company's subsidiary SoCal Organics Recycling Facility, LLC ("SCORF") entered into a US$10,000 loan and security with the State of California, Department of Resources Recycling and Recovery. The loan matures on February 1, 2033 and bears interest of 4.0% per annum. The loan is secured by a piece of equipment that is being leased to a third-party for US$3,000 over 10 years. The equipment is currently in the process of being installed in Santa Fe Springs, California. The loan is guaranteed by the Company's subsidiary, UTS Bioenergy Holdings, LLC, and SoCal Organics Recycling Facility, LLC's ultimate US parent. The guarantee will expire when the loan matures. This loan has certain affirmative covenants, which the Company was in compliance with at September 30, 2025. The loan requires interest only payments until March 1, 2024 and then the loan amortizes over the remaining term with a monthly payment of US$110.

(d) Caterpillar Financial Services Corporation

The Company's subsidiary, Biogas Power Mojave Systems, LLC entered a 10-year Term Loan Financing Agreement for a maximum loan amount of USD $4,504 at a fixed annual rate of 6.69%, repayable monthly. The Company's subsidiary, Escondido Bioenergy Facility, LLC, entered a 10-year Term Loan Financing Agreement for USD $4,000 at a fixed annual rate of 5.70%, repayable monthly. Both of these loans have certain financial covenants including a debt service coverage ratio of 1.3 and a minimum tangible member's equity (for Escondido) of greater than $0 or a total liabilities to tangible members equity ratio (for Biogas Power Mojave Systems) of no greater than 2.0. As of September 30, 2025, the Company's subsidiary was in compliance with these covenants.

The loans are secured by promissory notes and a first priority security interest as collateral in all rights, title, and interest of Biogas Power Mojave Systems, LLC and Escondido Bioenergy Facility, LLC in the projects including equipment, related software and other tangible and intangible properties.

Repayment of Principal and Interest

The repayment of principal and interest on the outstanding loans and borrowings is as follows:

Repayment Period	Principal	Interest	Total Repayment
12 months after period end	30,871	3,843	34,714
13-24 months after period end	3,702	1,246	4,948
25-36 months after period end	3,670	1,062	4,732
37-48 months after period end	5,923	755	6,678
49-60 months after period end	3,626	550	4,176
Thereafter	8,579	523	9,102
	56,371	7,979	64,350

Reconciliation of movements of liabilities to cash flows arising from financing activities

The following is a reconciliation between the opening and closing balances for liabilities arising from financing activities, net of debt transaction costs:

	Rhode Island Project Financing Term Loan	Live Oak Indenture	SoCal Organics Recycling Facility	Other long-term debt	Total
Balance at January 1, 2025	27,929	14,711	12,744	4,756	60,140
Remeasurement	—	—	—	792	792
Repayment of debt	—	(1,128)	(1,017)	(1,259)	(3,404)
Interest paid	(1,880)	(631)	(382)	(188)	(3,081)
Foreign exchange adjustments	(902)	(453)	(420)	(58)	(1,833)
Interest accrual	1,978	686	390	194	3,248
Balance at September 30, 2025	27,125	13,185	11,315	4,237	55,862

9. Equity

Share capital and contributed surplus

	Common shares (previously Subordinate voting shares)		Contributed Surplus
	# (000's)	$ (000's)	$ (000's)
Balance as at January 1, 2025	**169,789**	**439,315**	**7,350**
Stock compensation expense	—	—	1,319
RSU Vesting and Option Exercises	1,521	37	(6)
Balance as at September 30, 2025	**171,310**	**439,352**	**8,663**

Subordinate and Multiple Voting Shares

The Subordinate Voting Shares and the Multiple Voting Shares were identical with the exception of the multiple voting, pre-emptive and conversion rights attached to the Multiple Voting Shares. Each Subordinate Voting Share was entitled to one vote and each Multiple Voting Share was entitled to four votes on all matters upon which each such class of shares were entitled to vote. The Multiple Voting Shares were convertible into Subordinate Voting Shares on a one-for-one basis at any time at the option of the holders thereof and automatically in certain other circumstances. The Multiple Voting Shares ranked pari passu with respect to the payment of dividends, return of capital and distribution of assets in the event of a liquidation, dissolution or winding up of the Company. The holders of Subordinate Voting Shares benefited from certain provisions that gave them certain rights in the event of a take-over bid for the Multiple Voting Shares.

Strategic Investment

On December 18, 2023, the Company announced a $40,800 equity investment by Marny by way of an arm's-length, multi-tranche, non-brokered private placement (the "Strategic Investment").

Marny, through Marny Holdco, had agreed to subscribe for an aggregate of 102,000,000 units of the Company ("Units") at a price of $0.40 per Unit with each Unit consisting of one Subordinate Voting Share of the Company and 1/5 of one Subordinate Voting Share purchase warrant of the Company (each a "Warrant"). Each Warrant will entitle Marny to purchase one additional Subordinate Voting Share at an exercise price of $0.80 for a period of three years following the closing of the first tranche. The Unit subscription price of $0.40 represents a 57% premium to the 10-day volume weighted average price of the Subordinate Voting Shares on the Toronto Stock Exchange ("TSX") as of transaction date.

Marny has the right, in its sole discretion, to allocate an aggregate of 10,200,000 of the Subordinate Voting Shares for which it has subscribed to certain individual investors (the "Marny Individual Investors"), and any such Marny Individual Investors shall grant an irrevocable proxy to Marny Holdco in respect of the voting rights for such Subordinate Voting Shares.

On February 2, 2024, the first tranche of the Strategic Investment closed with the issuance of 31,250,000 Units for gross proceeds of $12,500. Each Unit consists of one Subordinate Voting Share and one Warrant. In conjunction with the first tranche, the Company issued a warrant certificate for 6,250,000 share units valued at $0.11 per warrant for a total value of $687.

On April 1, 2024, the second tranche of the Strategic Investment closed with the issuance of 34,000,000 Units for gross proceeds of $13,600. In conjunction with the second tranche, the Company issued a warrant certificate for 6,800,000 share units valued at $0.12 per warrant for a total value of $816.

On July 10, 2024, the third tranche of the Strategic Investment closed with the issuance of 36,750,000 Units for gross proceeds of $14,700. In conjunction with the third tranche, the Company issued a warrant certificate for 7,350,000 share units valued at $0.14 per warrant for a total value of $1,029.

In connection with the issuance of shares related to the strategic investment, the Company incurred share issuance costs of $2,215 for the nine months ended September 30, 2024.

Non-controlling Interest

Non-controlling interests consisted of the following amounts by entity at:

Non-controlling interest	September 30, 2025	December 31, 2024
Anaergia Bioenergy Facilities, LLC	85,597	89,056
Rhode Island Holdco, LLC	20,951	23,265
Other entities	(1,471)	(1,471)
	105,077	110,850

Anaergia Bioenergy Facility, LLC

On August 3, 2022, Anaergia Services, LLC ("AS") entered into a Contribution and Investment Agreement ("CIA") with IIF Anaergia Holdco, LLC, and with Anaergia Bioenergy Facilities, LLC ("ABF"), a subsidiary of the Company. The CIA provides for the transfer and contribution of the interests of AS in SoCal Biomethane Holdco, LLC ("SCH") and Charlotte Bioenergy Facility Holdco, LLC into ABF. On November 18, 2022, AS contributed its ownership interests in Rhode Island Bioenergy Holdco, LLC ("RIBFH") into ABF. The non-controlling interest exchanged its existing preferred interest in SCH for its preferred interest in ABF, in addition to making additional investments in ABF preferred units in the year. On December 7, 2023, the non-controlling preferred interest holders and the Company entered into a second amended and restated limited liability agreement between the parties. As part of this amended LLC agreement, the parties agreed to a preferred equity membership percentage and agreed to split out RIBFH into a separate investment vehicle with similar terms and conditions as ABF (See below RIBFH section). Non-controlling interest on the condensed consolidated interim statements of financial position is calculated based upon the waterfall mechanism agreed by the parties.

Another subsidiary of the Company, Anaergia Future Fuel, LLC ("AFF"), is a party to a profit sharing arrangement in ABF, the distributable cash flow will be distributed for ABF in the following way:

- First, 100% distributed to the preferred members in proportion to each members aggregate invested capital until the balance of each preferred members invested capital has been reduced to zero;
- Second, 80% to the preferred members in proportion to their invested capital and 20% to the common equity holder (AFF) until each preferred member receives an internal rate of return of 10%;
- Third, 50% to the preferred members in proportion to their invested capital and 50% to the common equity holder (AFF) until each preferred member receives an internal rate of return of 14%;
- Thereafter, 20% to the preferred members in proportion to their invested capital and 80% to the common equity holder (AFF).

Currently, the above mentioned proportionate share of preferred equity is split at a ratio of approximately 65% for non-controlling interest and 35% for AFF, which owns 100% of the common equity of ABF. The effects of this profit sharing arrangement are reflected as adjustments between non-controlling interest and deficit in the condensed consolidated interim statements of changes in equity. During the nine months ended September 30, 2025, the Company's preferred equity partners contributed $3,628. No further changes have been made as of September 30, 2025.

Rhode Island Bioenergy Facility Holdco, LLC ("RIBFH")

On December 7, 2023, the non-controlling preferred interest holders in ABF and the Company entered into an amended and restated limited liability agreement of RIBFH. As part of this LLC agreement, the parties agreed to split out RIBFH as separate entity from ABF above and agreed to a preferred equity membership percentage (65% for the non-controlling interest to 35% for AFF, which owns 100% of the common equity of RIBFH). Non-controlling interest on the condensed consolidated interim statements of financial position is calculated based upon the waterfall mechanism agreed by the Group and non-controlling interest in the LLC agreement.

The Group is a party to a profit sharing arrangement in RIBFH, the distributable cash flow will be distributed for RIBFH in the following way:

- First, 100% distributed to the preferred members in proportion to each members aggregate invested capital until the balance of each preferred members invested capital has been reduced to zero;
- Second, 80% to the preferred members in proportion to their invested capital and 20% to the common equity holder (AFF) until each preferred member receives an internal rate of return of 10%;
- Third, 50% to the preferred members in proportion to their invested capital and 50% to the common equity holder (AFF) until each preferred member receives an internal rate of return of 14%;
- Thereafter, 20% to the preferred members in proportion to their invested capital and 80% to the common equity holder (AFF).

The effects of this profit sharing arrangement are reflected as adjustments between non-controlling interest and deficit in the condensed consolidated interim statements of changes in equity. During the nine months ended September 30, 2025, the Company's preferred equity partners contributed $344. No further changes have been made as of September 30, 2025.

10. Share-based payment plans

Employee Stock Options Plan ("ESOP")

The Company has an Employees Stock Options Plan ("ESOP") under which certain of its employees (including those of its subsidiary entities) were granted a total of 616,263 Common stock options at a nominal exercise price. Under the terms of ESOP, the shares vest 25% per annum over four years. During the nine months ended September 30, 2025, option holders of the Company's ESOP exercised options for 103,500 (2024 -

1,858,917) common shares, for proceeds of $1 (2024 - $3,315). As result of the exercises, the Company reclassified $6 from contributed surplus to issued capital.

2021 Omnibus Equity Incentive Plan

On June 16, 2021, the Group adopted the Omnibus Equity Incentive Plan (the "2021 Plan") that allows the Company to grant equity awards including restricted stock units, performance share units, dividend share units and stock options to employees, directors, and consultants of the Company, that if converted would be exercised into subordinate voting shares, now common shares, of the Company. The amount available under the 2021 Plan is limited to 10% of the issued and outstanding shares of the combined subordinate voting shares and multiple voting shares less any amount for outstanding Legacy Options for the ESOP or outstanding under the 2021 plan. The equity awards under the 2021 Plan are subject to three year service based vesting. On June 9, 2025, the 2021 plan was amended modifying the vesting schedule of RSU grants such that 33.3% of the granted shares now vest on each anniversary of the grant date until all shares are vested on the third anniversary. This modification applied both prospectively to new shares granted subsequent to the modification, and retroactively, to grants that were made prior to the modification and had not yet been fully vested.

Share Issuance Plans(equity-settled)

At September 30, 2025, the Company had two share-based payment arrangements, which are described below.

Type of arrangement	Awards granted	Type of Awards	Contractual life	Vesting conditions
Employee Stock Option Plan ("ESOP")	616,263	Stock options	Earlier of 15 years or December 31, 2025	Four years' service
2021 Omnibus Equity Incentive Plan ("2021 Plan")	3,889,141	Restricted stock units	Indefinite	Three years' service

Further details and activity of the share option and restricted stock unit plans for the nine months ended September 30, 2025 and 2024:

	ESOP			2021 Plan		Total
	Number of Options	Weighted Average Exercise Price	Weighted Average Fair Value	Number of Awards	Weighted Average Fair Value	Number of Awards
Outstanding at January 1, 2025	767,163	$ 0.01	$ 2.72	5,974,882	$ 0.80	6,742,045
Granted	—	—	—	43,957	0.87	43,957
Vested and Released	—	—	—	(1,417,077)	1.28	(1,417,077)
Exercised	(103,500)	0.01	2.72	—	—	(103,500)
Cancelled/forfeited	(47,400)	0.01	2.72	(712,621)	0.66	(760,021)
Outstanding at September 30, 2025	616,263	$ 0.01	$ 2.72	3,889,141	$ 0.80	4,505,404
Exercisable/Vested at September 30, 2025	616,263	$ 0.01	$ 2.72	—	$ —	616,263

	ESOP			2021 Plan		Total
	Number of Options	Weighted Average Exercise Price	Weighted Average Fair Value	Number of Awards	Weighted Average Fair Value	Number of Awards
Outstanding at January 1, 2024	1,600,674	$ 0.01	$ 2.72	3,841,298	$ 1.84	5,441,972
Granted	—	—	—	4,229,981	0.55	4,229,981
Exercised	(425,000)	0.01	2.72	(1,433,917)	1.40	(1,858,917)
Cancelled/forfeited	—	—	—	(848,000)	1.98	(848,000)
Outstanding at September 30, 2024	1,175,674	$ 0.01	$ 2.72	5,789,362	$ 0.99	6,965,036
Exercisable/Vested at September 30, 2024	1,175,674	$ 0.01	$ 2.72	3,573,751	$ 1.26	4,749,425

For the nine months ended September 30, 2025 and 2024 the weighted average share price at the date of exercise for share options exercised during the period was $1.80 and $0.25, respectively. The options outstanding at September 30, 2025 had an exercise price of $0.01, and a weighted average remaining contractual life of 0.25 years. At September 30, 2025, the weighted average remaining recognition period for the restricted stock units issued under the 2021 plan was 1.41 years.

Expense recognized in profit and loss

Share-based payment expenses by plan for the three and nine months ended September 30, 2025 and 2024 were as follows:

	Three Months Ended September 30, 2025		**Nine Months Ended September 30, 2025**	
	2021 Plan $	Total $	2021 Plan $	Total $
Expense arising from RSUs	555	555	1,319	1,319
Total expense	555	555	1,319	1,319

	Three Months Ended September 30, 2024		Nine Months Ended September 30, 2024	
	2021 Plan	Total	2021 Plan	Total
	$	$	$	$
Expense arising from RSUs	3,213	3,213	3,808	3,808
Total expense	3,213	3,213	3,808	3,808

11. Commitments and Contingencies

	September 30, 2025	December 31, 2024
Financial Guarantee contracts	4,211	14,127
Contingent liabilities and legal claims	4,411	4,541
Performance bonds	79,213	53,124
Total	87,835	71,792

Financial Guarantee contracts

Financial guarantee contracts are agreements and/or commitments to reimburse or make payment on account of any losses or non-payments by a borrower in an event of default scenario and include surety guarantees in connection with transactions between two parties. These include a letter of patronage for customer, that guarantee sufficient capital for performance on a revenue contract. In addition, the Company has additional financial guarantee contracts in the form of indemnity agreements from insurance carriers related to the Company's performance bonds, discussed below.

Contingent liabilities and legal claims

The Group is engaged in litigation in various other legal matters. The legal proceedings are in different stages of progress, and the eventual outcome of such litigation, at this point in time, is uncertain. The amount detailed here represents the full amount of claims made by third-parties for various legal claims. The aggregate amount of known claims involved in these disputes are material and a full provision for expected expenses has been made wherever considered necessary.

On June 10, 2025, the Company received a notice from the Canada Revenue Agency that the Company owes withholding taxes in Canada for the years from 2020 - 2022. The Company is in the process of filing an appeal to object to this assessment, and believes it will ultimately be successful in this appeal. The potential liability related to this claim is included in our contingent liabilities and legal claims as of September 30, 2025.

Performance bonds

Performance bonds are financial guarantee contracts issued on behalf of the Group by financial institutions for Anaergia, Inc. and Anaergia S.r.L. for the Group's capital sales and build-own-operate segments. These performance bonds typically provide collateral or other security in order for the financial institution to issue the bond. Only upon the Group's non-performance can the bonds be drawn and the collateral seized.

Legal claims

On March 27, 2023, a statement of claim was issued (under the Class Proceedings Act, 1992) in the Ontario Superior Court of Justice against the Company and others, involving an order for leave to proceed under the Securities Act (Ontario), certifying the proceeding as a class proceeding and appointing a representative plaintiff who claims damages and other relief pertaining to primary and secondary market financial disclosures relating to proposed class period from June 7, 2021 to November 8, 2022. The plaintiff's claim was last amended in March 2024. The plaintiff's claim includes allegations of both primary and secondary market misrepresentation under sections 130(1) and 138.3(1) of the Ontario Securities Act in respect of the Company's financial reporting and guidance. A hearing on the plaintiff's motions for leave to pursue the secondary market misrepresentation claims and certification of the class action was held in April 2025 in Brampton, Ontario. The Company's motion for summary judgment to dismiss the primary market misrepresentation claims on limitations grounds was heard at the same time. The Company intends to continue vigorously defending against the claim. As of September 30, 2025 and December 31, 2024, the Company has accrued a provision for the insurance deductible given the status of the claim and the likely outflow of $471 and $750, respectively.

The Company's management believes that adequate provisions for legal claims have been recorded in the interim condensed consolidated financial statements where required. The Group also maintains comprehensive insurance coverage which may be available to reimburse actual expenditures in certain circumstances.

12. Segment reporting

The Group determines its reportable segments based on the nature of operations and includes three operating segments: Capital Sales, Operation and Maintenance Services, and Build, Own, and Operate Projects.

Capital Sales consists of the sales of proprietary technology solutions and services to third party customers, predominantly municipalities, private entities, and project developers.

Operation and Maintenance Services consist of third-party recurring services contracts to operate and maintain the technology solutions.

Build, Own, and Operate Projects consist of greenfield or brownfield facilities that the Group builds and operates to fulfill long-term contracts to supply energy to third parties.

The financial results of the business segments are included below. Performance is measured based on gross profit as reported to the Group's Chief Executive Officer, who acts as the Chief Operating Decision Maker.

Segment revenues and profits

The following is an analysis of the Group's revenue and results by reportable segment for the three and nine months ended September 30, 2025 and 2024:

	Revenue				Gross Profit (Loss)			
	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024	2025	2024	2025	2024
Capital Sales	44,336	19,001	83,619	50,656	13,326	3,302	25,331	13,274
O&M Services	5,190	6,130	15,159	15,067	2,941	3,660	6,929	6,599
Build, Own, and Operate	1,837	3,898	9,722	11,866	(1,496)	(965)	(1,592)	(3,247)
Total	51,363	29,029	108,500	77,589	14,771	5,997	30,668	16,626

The following is an analysis of the Group's total assets by reportable segment at September 30, 2025 and December 31, 2024:

	Capital Sales $	O&M Services $	Build, Own, and Operate $	Other $	Total $
At September 30, 2025	86,356	76,495	79,702	(5,341)	237,212
At December 31, 2024	97,370	48,348	90,847	(3,238)	233,327

Geographical information

The Group's revenue from external customers and information about its segment assets (non-current assets excluding financial instruments, deferred tax assets, and other financial assets) by geographical location are detailed below:

	Revenue			
	Three Months Ended September 30,		Nine Months Ended September 30,	
Geographic Region	2025	2024	2025	2024
North America	16,884	14,716	53,413	44,941
Italy	25,704	5,059	35,491	12,114
Other EMEA	4,175	4,380	11,485	11,067
APAC	4,600	4,874	8,111	9,467
Total	51,363	29,029	108,500	77,589

	Non-current Assets	
Geographic Region	At September 30, 2025	At December 31, 2024
North America	104,409	108,701
Italy	574	608
Other EMEA	1,174	1,080
APAC	300	374
Total	106,457	110,763

13. Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Group by the weighted-average number of common shares outstanding during the year. Diluted earnings per share are calculated by using the treasury stock method. The treasury stock method assumes that any proceeds obtained on exercise of equity-based compensation arrangements would be used to purchase common shares at the average market price during the period. The weighted-average number of shares outstanding is then adjusted by the difference between the number of shares issued from the exercise of equity-based compensation arrangements and shares repurchased from the related proceeds.

The below profit sharing adjustment to net loss attributable to shareholders is the adjustment for the profit sharing arrangement with the Company's preferred equity interest holders at the Group's subsidiaries, as these instruments are deemed to be participating securities. Preferred equity interests in the Company's subsidiaries are to be distributed first to the preferred equity holders, which in both the cases of ABF and RIBFH would be distributed first to non-controlling interests at a ratio of approximately 65% to 35%. See Note 9 for additional information on the profit sharing arrangements.

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
In thousands of Canadian Dollars except share amounts	**2025**	**2024**	**2025**	**2024**
Net income (loss)	(451)	(9,847)	(15,836)	(27,866)
Effect of profit sharing arrangement and preferred equity interests adjustment	2,842	8,906	8,254	19,587
Income (loss) available for ordinary shareholders - basic and dilutive	2,391	(941)	(7,582)	(8,279)
Weighted average Common Shares	169,991,723	162,962,020	169,913,796	126,135,983
Total ordinary shares	**169,991,723**	**162,962,020**	**169,913,796**	**126,135,983**

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
	2025	**2024**	**2025**	**2024**
Basic and diluted income (loss) per share	$ 0.01	$ (0.01)	$ (0.04)	$ (0.07)

Instruments excluded because they are considered anti-dilutive:

	Three Months Ended September 30,		**Nine Months Ended September 30,**	
Instruments:	**2025**	**2024**	**2025**	**2024**
Restricted stock units	3,889,141	5,789,362	3,889,141	5,789,362
Share purchase warrants - Marny	20,400,000	7,350,000	20,400,000	20,400,000
Common stock options outstanding	611,816	1,150,169	611,816	1,143,000
	24,900,957	**14,289,531**	**24,900,957**	**27,332,362**

14. Net change in operating assets and liabilities

The table below reconciles the change in current assets and liabilities as shown in the condensed consolidated interim statements of cash flows.

	Nine Months Ended September 30,	
Net change in operating assets and liabilities	**2025 $**	**2024 $**
Decrease (increase) in accounts receivable	(2,525)	6,873
Decrease in contract assets	2,002	14,907
Decrease in government grants receivable	—	59
Increase in prepaid expenses	(1,446)	(1,043)
Increase in inventory	(2,903)	(1,297)
Increase in other current assets	(201)	(2,097)
Increase (decrease) in accounts payable	7,981	(14,025)
Increase (decrease) in accrued liabilities and provisions	(2,834)	(19,627)
Increase (decrease) in contract liabilities	18,004	(267)
Increase in accrued interest	1,869	—
Decrease in property, plant and equipment included in accounts payable	—	1,597
Others	(414)	2,510
	19,533	**(12,410)**

15. Subsequent events

On November 10, 2025, the Company entered into an agreement increasing the Company's guarantee by Export Development Canada ("EDC") on our line of credit from $13,900 to $27,800. This line of credit is valid through January 31, 2027 and has utilized $11,834 as collateral for Letters of Credit required on certain Capital Sales projects as of September 30, 2025.