Anaergia Inc.

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

ANAERGIA INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

As of March 31, 2026 and December 31, 2025

All amounts in thousands of Canadian Dollars

	Notes	March 31, 2026 (unaudited)	December 31, 2025
		$	$
ASSETS			
Current assets			
Cash and cash equivalents		22,163	33,798
Restricted cash		11,803	9,650
Trade and other receivables		24,614	25,596
Contract assets		31,966	14,980
Prepaid expenses		3,585	3,643
Inventories		11,960	11,541
Other current assets		9,445	9,384
Total current assets		**115,536**	**108,592**
Non-current assets			
Restricted cash		278	274
Property, plant and equipment, net	6	99,650	99,920
Intangible assets, net	6	2,385	2,411
Deferred tax assets		2,727	2,716
Other long-term assets	7	26,825	24,028
Total non-current assets		**131,865**	**129,349**
Total assets		**247,401**	**237,941**

See notes to the condensed consolidated interim financial statements.

ANAERGIA INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

As of March 31, 2026 and December 31, 2025
All amounts in thousands of Canadian Dollars

	Notes	March 31, 2026 (unaudited)	December 31, 2025
LIABILITIES		**$**	**$**
Current liabilities			
Accounts payable		56,108	50,890
Accrued liabilities and provisions		27,122	29,561
Taxes payables		6,356	4,524
Current portion of deferred government grants		282	278
Current portion of contract liabilities		27,880	21,262
Current portion of lease liabilities		2,178	2,177
Current portion of long-term debt	8	41,285	41,110
Total current liabilities		**161,211**	**149,802**
Non-current liabilities			
Long-term portion of deferred government grants		3,116	3,143
Long-term portion of contract liabilities		1,677	1,654
Long-term portion of lease liabilities		8,231	8,304
Long-term debt	8	12,713	13,095
Asset retirement obligations		2,598	2,538
Deferred tax liabilities		52	54
Derivative liability		894	1,098
Other long-term liabilities		2,717	2,725
Total non-current liabilities		**31,998**	**32,611**
Total liabilities		**193,209**	**182,413**
SHAREHOLDERS' EQUITY			
Non-controlling interests	9	103,221	101,807
Issued capital	9	442,116	442,069
Contributed surplus	9	6,844	6,266
Deficit		(517,645)	(515,817)
Accumulated other comprehensive income		19,656	21,203
Total equity		**54,192**	**55,528**
Total liabilities and equity		**247,401**	**237,941**

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 months ended March 31, 2026 and 2025

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

	Notes	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
		$	$
Revenue	12	55,228	24,876
Cost of sales		42,542	19,473
Gross profit		**12,686**	**5,403**
Selling, general, and administrative expenses		14,081	17,176
Research and development expenses		164	24
Government grant income		(76)	(6,127)
Operating expenses		**14,169**	**11,073**
Income (loss) from operations		**(1,483)**	**(5,670)**
Other gains (losses), net		28	(809)
Finance costs, net		(1,175)	(1,016)
Foreign exchange losses		(302)	(288)
		(1,449)	(2,113)
Loss before income taxes		**(2,932)**	**(7,783)**
Income tax recovery (expense)		(1,435)	1,886
Net loss		**(4,367)**	**(5,897)**
Net loss attributable to:			
Shareholders		(1,828)	(2,985)
Non-controlling interests		(2,539)	(2,912)
		(4,367)	**(5,897)**
Basic and diluted loss per share	13	**(0.01)**	**(0.02)**

See notes to the condensed consolidated interim financial statements.

ANAERGIA INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS

For the three months ended March 31, 2026 and 2025

All amounts in thousands of Canadian Dollars, Unaudited

	Notes	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
		$	$
Net loss		**(4,367)**	**(5,897)**
Items that may be reclassified back to profit or loss in future periods			
Exchange difference on translation of foreign operations		(144)	672
Fair value gain (losses) related to hedging transaction		205	(393)
Total comprehensive loss		**(4,306)**	**(5,618)**
Total comprehensive loss attributable to:			
Shareholders		(3,375)	(7,216)
Non-controlling interests		(931)	1,598
		(4,306)	**(5,618)**

See notes to the condensed consolidated interim financial statements.

ANAERGIA INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

For the three months ended March 31, 2026

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, 2026	442,069	6,266	(515,817)	21,203	(46,279)	101,807	55,528
Net loss	—	—	(1,828)	—	(1,828)	(2,539)	(4,367)
Other comprehensive gain - hedging	—	—	—	72	72	133	205
Other comprehensive gain (loss) - foreign currency translation	—	—	—	(1,619)	(1,619)	1,475	(144)
Total comprehensive loss	—	—	(1,828)	(1,547)	(3,375)	(931)	(4,306)
Preferred share issuance to non-controlling interests (Note 9)	—	—	—	—	—	2,345	2,345
RSU Vesting (Note 10)	47	2	—	—	49	—	49
Share based compensation (Note 10)	—	576	—	—	576	—	576
As at March 31, 2026	**442,116**	**6,844**	**(517,645)**	**19,656**	**(49,029)**	**103,221**	**54,192**

See notes to the condensed consolidated interim financial statements.

ANAERGIA INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

For the three months ended March 31, 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	—	—	(2,985)	—	(2,985)	(2,912)	(5,897)
Other comprehensive gain (loss) - hedging	—	—	—	(1,175)	(1,175)	782	(393)
Other comprehensive income (loss) - foreign currency translation	—	—	—	(3,056)	(3,056)	3,728	672
Total comprehensive gain (loss)	—	—	(2,985)	(4,231)	(7,216)	1,598	(5,618)
Preferred share issuance to non-controlling interests (Note 9)	—	—	—	—	—	1,419	1,419
RSU Vesting and Option Exercises (Note 10)	45	(44)	—	—	1	—	1
Profit sharing arrangement - Anaergia Bioenergy Facilities	—	—	894	(65)	829	(829)	—
Profit sharing arrangement - Rhode Island Bioenergy Facilities	—	—	1,965	—	1,965	(1,965)	—
Share based compensation (Note 10)	—	250	—	—	250	—	250
As at March 31, 2025	**439,360**	**7,556**	**(522,907)**	**14,175**	**(61,816)**	**111,073**	**49,257**

See notes to the condensed consolidated interim financial statements.

ANAERGIA INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

For the three months ended March 31, 2026 and 2025

All amounts in thousands of Canadian Dollars, Unaudited

	Notes	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
OPERATING ACTIVITIES		**$**	**$**
Net loss		**(4,367)**	**(5,897)**
Adjustments for the following non-cash items:			
Depreciation and amortization		1,973	1,480
Income tax expense		1,435	1,886
Finance costs		996	1,016
Share based compensation expense	10	576	250
Expected credit losses		109	1,561
Government grant income		(76)	(6,126)
Disposal of assets		20	—
Other losses		—	809
Net change in operating assets and liabilities	14	(7,054)	(2,596)
Net cash paid for income taxes		77	(121)
Cash used in operating activities		**(6,311)**	**(7,738)**
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(353)	(323)
Investment in other long-term assets		(2,797)	—
Investment in intangible assets		(18)	(13)
Cash used in investing activities		**(3,168)**	**(336)**
FINANCING ACTIVITIES			
Restricted cash utilization		(2,157)	2,393
Proceeds from exercise of stock options		49	1
Proceeds from grant funding		—	439
Proceeds from issuance of preferred capital in a subsidiary		2,345	1,419
Lease payments		(73)	(428)
Payment of interest	8	(942)	(1,104)
Repayment of debt	8	(979)	(1,087)
Cash provided by (used in) financing activities		**(1,757)**	**1,633**
Effect of exchange rate differences		**(399)**	**(3,004)**
Net change in cash during the period		**(11,635)**	**(9,445)**
Cash, beginning of period		**33,798**	**30,220**
Cash, end of period		**22,163**	**20,775**

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 May 12, 2026, 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, 2025. 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, 2025.

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.

3. Related Parties

The Group had the following related party balances as of March 31, 2026 and December 31, 2025.

	Accounts receivable	
	Outstanding Balances at	
Related party:	March 31, 2026	December 31, 2025
Fibracast Ltd. (“Fibracast”)	7	7
MD Waste Management Co Ltd *	11,609	11,641
Bioenergy Pte. Ltd	—	32
Total	11,616	11,680

	Loans receivable	
	Outstanding Balances at	
Related party:	March 31, 2026	December 31, 2025
Fibracast	532	532
Total	532	532

	Accounts Payable	
	Outstanding Balances at	
Related party:	March 31, 2026	December 31, 2025
W.M. Lyles Co.	4,375	2,986
Fibracast	40	53
Bioenergy Pte. Ltd	—	100
Total	4,415	3,139

* These accounts receivable with related parties are fully reserved for within the Company's expected credit losses provisions at December 31, 2025 and March 31, 2026.

The Group had the following related party transactions for the three months ended March 31, 2026 and 2025.

	Transactions for the Three Months Ended March 31,	
	2026	2025
Related party:	Revenue for goods and services	
Rialto	—	11
W.M. Lyles Co.	—	418
Total	—	429
Related party:	Purchases of goods or services	
TGW Holdings **	—	117
W.M. Lyles	3,307	1,474
Total	3,307	1,591

** 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, $121 and $117 have been recorded as an expense for the three months ended March 31, 2026 and 2025.

Related party guarantees

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 March 31, 2026, was $532 (December 31, 2025 - $532). 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.

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 in final discussions on a settlement offer and expects to resolve this dispute in Q2 of fiscal year 2026.

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 March 31, 2026	**Carrying amount**	**Fair Value Level 2**	**Fair Value Level 3**
Financial assets			
Investment in Crystal Energy	6,879	—	6,879
Investment in Lombardia Biometano	5,387	—	5,387
Investment in White Green Energy Societa Agricola Srl	6,879	—	6,879
Derivative asset	2	1	1
	19,147	**1**	**19,146**
Financial liabilities			
Derivative liability	(894)	(894)	—
Long-term debt	(53,998)	(53,870)	—
	(54,892)	**(54,764)**	**—**

At December 31, 2025	**Carrying amount**	**Fair Value Level 2**	**Fair Value Level 3**
Financial assets			
Investment in Crystal Energy	5,401	—	5,401
Investment in Lombardia Biometano	5,401	—	5,401
Investment in White Green Energy Societa Agricola Srl	5,401	—	5,401
Derivative asset	2	2	—
	16,205	**2**	**16,203**
Financial liabilities			
Derivative liability	(1,098)	(1,098)	—
Long-term debt	(54,205)	(54,344)	—
	(55,303)	**(55,442)**	**—**

Investments in Italian Biomethane Plants

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. On March 26, 2026, the Company expanded its investments in both White Green Energy Societa Agricola Srl and Crystal Energy by 3.54% for an additional $1,493 per investment. The Company has made the election at initial recognition to classify the investment as measured at fair value through other comprehensive income. The Company measures the fair value of these instruments on a quarterly basis using a discounted cash flows model. As part of that analysis the Company is required to make certain significant assumptions including construction period length, ramp up of productive capacity over time, feedstock costs, and the discount rate. These investments are held in other long-term assets on the statement of financial position as of March 31, 2026.

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 months ended March 31, 2026, the Company recorded an unrealized loss on the interest rate swaps of $205. The Company expects $175 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 months ended March 31, 2026.

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 March 31, 2026 and December 31, 2025. 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 March 31, 2026, an amount of $63,365 (December 31, 2025 - $62,556) 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 months ended March 31, 2026.

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 three months ended March 31, 2026 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, 2025	**17,608**	**863**
Foreign currency revaluation of the foreign operations	5,282	—
Fair value losses related to hedging transaction	—	(2,550)
As of December 31, 2025	**22,890**	**(1,687)**
As of January 1, 2026	**22,890**	**(1,687)**
Foreign currency revaluation of the foreign operations	(1,619)	—
Fair value gains related to hedging transaction	—	72
As of March 31, 2026	**21,271**	**(1,615)**

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 three months ended March 31, 2026:

	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, 2026	16,075	9,446	5,786	114,943	21,538	2,199	169,987
Additions	95	15	42	6	16	179	353
Disposals	—	—	(45)	—	—	(96)	(141)
Exchange adjustment	163	155	40	1,439	293	(23)	2,067
Balance at March 31, 2026	**16,333**	**9,616**	**5,823**	**116,388**	**21,847**	**2,259**	**172,266**
Accumulated depreciation, amortization and impairment							
Balance at January 1, 2026	7,751	3,655	5,786	33,385	17,790	1,700	70,067
Depreciation and amortization	406	112	68	1,277	—	63	1,926
Disposals	—	—	(43)	—	—	(78)	(121)
Exchange adjustment	64	82	12	349	242	(5)	744
Balance at March 31, 2026	**8,221**	**3,849**	**5,823**	**35,011**	**18,032**	**1,680**	**72,616**
Carrying amounts							
At January 1, 2026	**8,324**	**5,791**	**—**	**81,558**	**3,748**	**499**	**99,920**
At March 31, 2026	**8,112**	**5,767**	**—**	**81,377**	**3,815**	**579**	**99,650**
Of which: Net book value of right of use assets included in property, plant and equipment at March 31, 2026	**8,112**	**—**	**—**	**—**	**—**	**226**	**8,338**

Intangible Assets

The following table presents the summary of intangible assets and related accumulated amortization for the three months ended March 31, 2026:

	Patents $	Computer Software and Licenses $	Other Intangible Assets $	Total $
Cost				
As of January 1, 2026	4,356	2,260	2,798	9,414
Additions	18	—	—	18
Exchange adjustment	(1)	(2)	3	—
As of March 31, 2026	**4,373**	**2,258**	**2,801**	**9,432**
Accumulated amortization and impairment				
As of January 1, 2026	2,361	2,236	2,406	7,003
Amortization	42	3	2	47
Exchange adjustment	(1)	(2)	—	(3)
As of March 31, 2026	**2,402**	**2,237**	**2,408**	**7,047**
Carrying amount				
At January 1, 2026	1,995	24	392	2,411
At March 31, 2026	**1,971**	**21**	**393**	**2,385**

Impairment

There has been no impairment charge for the three months ended March 31, 2026 and 2025, for the Company's RIBF BOO plant operations based on the current value in-use. The Company evaluates the facility for impairment on a quarterly basis using a discounted cash flows (value‑in‑use) model when indicators of impairment are identified. As part of that analysis the Company is required to make certain significant assumptions including the pricing for future gas off-take agreements dependent on carbon credit scoring, ramp up of productive capacity over time, feedstock costs, and the discount rate. The model utilizes a 20 year useful life as the facility is expected to continue functioning over that period of time.

7. Other long-term assets

Fibracast Investment

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 had been updated from the equity method to the cost method of accounting as of December 31, 2024 and the remaining balance of $2,584 had been reclassed to other long-term assets. Beginning in 2025, the Company measures its investment in Fibracast at fair value through other comprehensive income.

BioMethane Plants

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. On March 26, 2026, the Company expanded its investments in both White Green Energy Societa Agricola Srl and Crystal Energy by 3.54% for an additional $1,493 per investment. 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 March 31, 2026.

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	March 31, 2026 Carrying amount	December 31, 2025 Carrying amount
Rhode Island Project Financing Term Loan	Prime plus 1.25%	2030	(a)	27,822	27,449
Live Oak Indenture	5.96%	2032	(b)	11,680	11,905
SoCal Organics Recycling Facility	4.00%	2033	(c)	11,120	11,314
Caterpillar Financial Services Term Loans	5.70% - 6.69%	2025 - 2028	(d)	3,435	3,477
Other	0% - 11.4%	2023 - 2027		420	526
				54,477	54,671
Less: issuance costs				(479)	(466)
Total long-term debt				53,998	54,205
Of which:					
Current				41,285	41,110
Long term				12,713	13,095

(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 fourth quarter of fiscal year 2025 and the first quarter of fiscal year 2026, this loan is classified as current as of both December 31, 2025 and March 31, 2026. Subsequent to the balance sheet date the Company requested and was granted a waiver of this covenant as of both December 31, 2025 and March 31, 2026. 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. Due to the Company not being in compliance with certain covenants during the fourth quarter of fiscal year 2025 and the first quarter of fiscal year 2026, this loan is reclassified as current as of both December 31, 2025 and March 31, 2026. Subsequent to the balance sheet date the Company requested and was granted a waiver of this covenant as of both December 31, 2025 and March 31, 2026. While the provided waiver grants relief from the covenant, the Company recognizes that it was within the rights of the Live Oak Banking Corporation to call the loan as of March 31, 2026. The Company expects that it will continue to not be in compliance with this production covenant as of June 30, 2026.

(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 was intended to be 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 March 31, 2026. 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. Biogas Power Mojave Systems, LLC completed repayment of the loan during fiscal year 2025. The remaining loan for Escondido Bioenergy Facility, LLC has certain financial covenants including a debt service coverage ratio of 1.3 and a minimum tangible member's equity of greater than $0. As of March 31, 2026, the Company's subsidiary was in compliance with these financial 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	41,285	3,578	44,863
13-24 months after period end	1,870	528	2,398
25-36 months after period end	4,222	400	4,622
37-48 months after period end	1,605	238	1,843
49-60 months after period end	1,671	172	1,843
Thereafter	3,824	137	3,961
	54,477	5,053	59,530

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, 2026	26,767	12,648	10,812	3,978	54,205
Remeasurement	—	—	—		—
Repayment of debt	(62)	(382)	(343)	(192)	(979)
Interest paid	(586)	(193)	(112)	(51)	(942)
Foreign exchange adjustments	364	160	148	46	718
Interest accrual	619	211	113	53	996
Balance at March 31, 2026	27,102	12,444	10,618	3,834	53,998

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, 2026	**171,403**	**442,069**	**6,266**
Stock compensation expense	—	—	576
RSU Vesting	86	47	2
Balance as at March 31, 2026	**171,489**	**442,116**	**6,844**

Non-controlling Interest

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

Non-controlling interest	March 31, 2026	December 31, 2025
Anaergia Bioenergy Facilities, LLC	86,130	84,596
Rhode Island Holdco, LLC	18,562	18,682
Other entities	(1,471)	(1,471)
	103,221	101,807

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 three months ended March 31, 2026, the Company's preferred equity partners contributed $1,013. No further changes have been made as of March 31, 2026.

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 three months ended March 31, 2026, the Company's preferred equity partners contributed $1,332. No further changes have been made as of March 31, 2026.

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 669,763 Common stock options at a nominal exercise price. Under the terms of ESOP, the shares vest 25% per annum over four years. During the three months ended March 31, 2026 and 2025, option holders of the Company’s ESOP exercised options for nil and

50,000 common shares, respectively, for proceeds of $nil and $1, respectively. All employee stock options not exercised as of December 31, 2025 expired per the terms of the ESOP and have been cancelled.

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 March 31, 2026, 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")	-	Stock options	Earlier of 15 years or December 31, 2025	Four years' service
2021 Omnibus Equity Incentive Plan ("2021 Plan")	4,608,766	Restricted stock units	Indefinite	Three years' service

Further details and activity of the share option and restricted stock unit plans for the three months ended March 31, 2026 and 2025:

	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, 2026	—	$ —	$ —	4,690,387	$ 0.82	4,690,387
Granted	—	—	—	25,392	2.56	25,392
Vested and Released	—	—	—	(82,013)	0.86	(82,013)
Exercised	—	—	—	—	—	—
Cancelled/forfeited	—	—	—	(25,000)	0.57	(25,000)
Outstanding at March 31, 2026	—	$ —	$ —	4,608,766	$ 0.96	4,608,766
Exercisable/Vested at March 31, 2026	—	$ —	$ —	—	$ —	—

	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	—	—	—	(931)	—	(931)
Exercised	(50,000)	0.01	2.72	—	—	(50,000)
Cancelled/forfeited	(47,400)	0.01	2.72	(137,070)	0.64	(184,470)
Outstanding at March 31, 2025	669,763	$ 0.01	$ 2.72	5,836,881	$ 0.99	6,506,644
Exercisable/Vested at March 31, 2025	669,763	$ 0.01	$ 2.72	—	$ —	669,763

At March 31, 2026, the weighted average remaining recognition period for the restricted stock units issued under the 2021 plan was 1.28 years.

Expense recognized in profit and loss

Share-based payment expenses by plan for the three months ended March 31, 2026 and 2025 were as follows:

	Three Months Ended March 31, 2026	
	2021 Plan $	Total $
Expense arising from RSUs	576	576
Total expense	576	576

	Three Months Ended March 31, 2025	
	2021 Plan $	Total $
Expense arising from RSUs	250	250
Total expense	250	250

11. Commitments and Contingencies

	March 31, 2026	December 31, 2025
Financial Guarantee contracts	63,365	62,556
Contingent liabilities and legal claims	2,464	3,570
Performance bonds	106,396	101,566
Total	172,225	167,692

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. In accordance with IAS 37, the Company recognizes a provision when it has a present legal or constructive obligation as a result of past events, it is probable that an outflow of economic resources will be required to settle the obligation, and a reliable estimate can be made.

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 March 31, 2026.

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. The court issued its decision on leave and summary judgment in November 2025, denying the summary judgment motion, granting leave with respect to the financial misrepresentation claim and denying leave with respect to the financial outlook claim. The plaintiff has appealed the denial of leave on the financial outlook claim, and Anaergia has appealed the dismissal of the summary judgment motion. We expect these matters to be decided in 2026. The Company intends to continue vigorously defending against the claim. As of March 31, 2026 and December 31, 2025, the Company has accrued a provision for the insurance deductible given the status of the claim and the accrual for both periods is $nil, as the Company had reached the maximum insurance deductible and it is no longer relevant.

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 months ended March 31, 2026 and 2025:

	Revenue		Gross Profit (Loss)	
	Three Months Ended March 31,		Three Months Ended March 31,	
	2026	2025	2026	2025
Capital Sales	46,086	16,074	11,653	4,305
O&M Services	4,120	4,804	1,753	1,667
Build, Own, and Operate	5,022	3,998	(720)	(569)
Total	55,228	24,876	12,686	5,403

The following is an analysis of the Group's total assets by reportable segment at March 31, 2026 and December 31, 2025:

	Capital Sales $	O&M Services $	Build, Own, and Operate $	Other $	Total $
At March 31, 2026	107,749	74,799	70,194	(5,341)	247,401
At December 31, 2025	92,121	78,537	72,624	(5,341)	237,941

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 March 31,	
Geographic Region	2026	2025
North America	19,866	16,706
Italy	24,867	3,495
Other EMEA	7,807	3,345
APAC	2,688	1,330
Total	55,228	24,876

	Non-current Assets	
Geographic Region	At March 31, 2026	At December 31, 2025
North America	99,754	100,100
Italy	781	700
Other EMEA	1,224	1,275
APAC	276	256
Total	102,035	102,331

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.

In thousands of Canadian Dollars except share amounts	Three Months Ended March 31, 2026	2025
Net income (loss)	(4,367)	(5,897)
Effect of profit sharing arrangement and preferred equity interests adjustment	2,539	2,912
Income (loss) available for ordinary shareholders - basic and dilutive	(1,828)	(2,985)
Weighted average Common Shares	171,404,620	169,839,016
Total ordinary shares	**171,404,620**	**169,839,016**

	Three Months Ended March 31, 2026	2025
Basic and diluted income (loss) per share	$ (0.01)	$ (0.02)

Instruments excluded because they are considered anti-dilutive:

Instruments:	Three Months Ended March 31, 2026	2025
Restricted stock units	4,608,766	5,836,881
Share purchase warrants - Marny	20,400,000	20,400,000
Common stock options outstanding	—	663,427
	25,008,766	**26,900,308**

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.

Net change in operating assets and liabilities	Three Months Ended March 31, 2026 $	2025 $
Decrease (increase) in accounts receivable	982	(1,637)
Decrease (increase) in contract assets	(16,986)	(3,287)
Decrease in government grants receivable	—	—
Decrease (increase) in prepaid expenses	58	882
Increase in inventory	(419)	(1,383)
Increase in other current assets	(61)	(1,803)
Increase (decrease) in accounts payable	5,218	725
Increase (decrease) in accrued liabilities and provisions	(2,439)	(3,443)
Increase (decrease) in contract liabilities	6,618	4,611
Increase in accrued interest	17	1,164
Others	(42)	1,575
	(7,054)	**(2,596)**

15. Subsequent events

On April 2, 2026, the Company invested an additional $5,168 in Crystal Energy in Italy, increasing our investment in the Project to 28.584%. On April 9, 2026, the Company invested an additional $5,406 in White Green Energy in Italy, increasing our investment in the Project to 29.148%.

On May 6, 2026, the Company entered into a credit agreement with National Bank of Canada, as lender, for a revolving credit facility in the maximum principal amount of $20,000, with an option to increase the maximum principal amount by up to $10,000. The Credit Facility bears interest at rates determined by reference to the applicable pricing tier based on the Company's Debt to EBITDA Ratio and are subject to the satisfaction of certain customary conditions precedent. The credit facility provides Anaergia with enhanced liquidity and financial flexibility to support the execution of its existing contracted backlog. Proceeds will be used for general corporate purposes, in accordance with the terms of the Credit Agreement.