

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, 2026 and December 31, 2025

All amounts in thousands of Canadian Dollars

	Notes	September 30, 2026 (unaudited)	December 31, 2025
		$	$
ASSETS			
Current assets			
Cash and cash equivalents		16,998	33,798
Restricted cash		2,415	9,650
Trade and other receivables		29,712	25,596
Contract assets		37,792	14,980
Prepaid expenses		3,476	3,643
Inventories		11,549	11,541
Other current assets		5,403	9,384
Total current assets		**107,345**	**108,592**
Non-current assets			
Restricted cash		284	274
Property, plant and equipment, net	6	56,952	99,920
Intangible assets, net	6	2,352	2,411
Deferred tax assets		1,305	2,716
Other long-term assets	7	44,231	24,028
Total non-current assets		**105,124**	**129,349**
Total assets		**212,469**	**237,941**

See notes to the condensed consolidated interim financial statements.

ANAERGIA INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

As of September 30, 2026 and December 31, 2025
All amounts in thousands of Canadian Dollars

	Notes	September 30, 2026 (unaudited)	December 31, 2025
LIABILITIES		**$**	**$**
Current liabilities			
Accounts payable		43,382	50,890
Accrued liabilities and provisions		27,392	29,561
Taxes payable		4,616	4,524
Current portion of deferred government grants		288	278
Current portion of contract liabilities		39,022	21,262
Current portion of lease liabilities		1,958	2,177
Current portion of long-term debt	9	14,271	41,110
Total current liabilities		**130,929**	**149,802**
Non-current liabilities			
Line of credit	8	13,231	—
Long-term portion of deferred government grants		3,044	3,143
Long-term portion of contract liabilities		1,727	1,654
Long-term portion of lease liabilities		5,664	8,304
Long-term debt	9	12,074	13,095
Asset retirement obligations		1,604	2,538
Deferred tax liabilities		53	54
Derivative liability		—	1,098
Other long-term liabilities		2,692	2,725
Total non-current liabilities		**40,089**	**32,611**
Total liabilities		**171,018**	**182,413**
SHAREHOLDERS' EQUITY			
Non-controlling interests	10	84,472	101,807
Issued capital	10	442,100	442,069
Contributed surplus	10	8,424	6,266
Deficit		(504,832)	(515,817)
Accumulated other comprehensive income		11,287	21,203
Total equity		**41,451**	**55,528**
Total liabilities and equity		**212,469**	**237,941**

Commitments and contingencies Note 12
Subsequent events Note 16

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, 2026 and 2025

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

	Notes	Three Months Ended September 30,		Nine Months Ended September 30,	
		2026	2025	2026	2025
		$	$	$	$
Revenue	13	66,903	51,363	186,045	108,500
Cost of sales		50,502	36,592	142,456	77,832
Gross profit		**16,401**	**14,771**	**43,589**	**30,668**
Selling, general, and administrative expenses		15,737	13,979	45,048	45,459
Research and development expenses		262	264	614	824
Government grant income		(71)	(72)	(219)	(6,412)
Operating expenses		**15,928**	**14,171**	**45,443**	**39,871**
Income (Loss) from operations		**473**	**600**	**(1,854)**	**(9,203)**
Other gains (losses), net		423	330	826	(881)
Finance costs, net		(1,516)	(1,264)	(4,041)	(3,546)
Gain on disposal of CBF and RIBF	4	21,923	—	21,923	—
Loss on remeasurement of investment	7	(2,215)	—	(2,215)	—
Foreign exchange gains (losses)		1,175	399	1,154	(1,518)
		19,790	(535)	17,647	(5,945)
Income (Loss) before income taxes		**20,263**	**65**	**15,793**	**(15,148)**
Income tax expense		(715)	(516)	(2,696)	(688)
Net Income (Loss)		**19,548**	**(451)**	**13,097**	**(15,836)**
Net income (loss) attributable to:					
Shareholders		12,443	2,391	10,985	(7,582)
Non-controlling interests		7,105	(2,842)	2,112	(8,254)
		19,548	**(451)**	**13,097**	**(15,836)**
Basic income (loss) per share	14	**0.07**	**0.01**	**0.06**	**(0.04)**
Diluted income (loss) per share	14	**0.07**	**0.01**	**0.06**	**(0.04)**

See notes to the condensed consolidated interim financial statements.

ANAERGIA INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

For the three and nine months ended September 30, 2026 and 2025

All amounts in thousands of Canadian Dollars, Unaudited

	Notes	Three Months Ended September 30,		Nine Months Ended September 30,	
		2026	2025	2026	2025
		$	$	$	$
Net Income (Loss)		**19,548**	**(451)**	**13,097**	**(15,836)**
Items that may be reclassified back to profit or loss in future periods					
Exchange difference on translation of foreign operations		(2,374)	322	(1,722)	61
Fair value gains (losses) related to hedging transaction		551	(6)	1,098	(592)
Items that will not be reclassified back to profit or loss in future periods					
Change in fair value of investments		(1,889)	—	(1,889)	—
Total comprehensive income (loss)		**15,836**	**(135)**	**10,584**	**(16,367)**
Total comprehensive income (loss) attributable to:					
Shareholders		8,135	8,558	3,788	(6,622)
Non-controlling interests		7,701	(8,693)	6,796	(9,745)
		15,836	**(135)**	**10,584**	**(16,367)**

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, 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 income	—	—	10,985	—	10,985	2,112	13,097
Other comprehensive loss - investments	—	—	—	(1,889)	(1,889)	—	(1,889)
Other comprehensive gain - hedging	—	—	—	384	384	714	1,098
Other comprehensive gain (loss) - foreign currency translation	—	—	—	(5,692)	(5,692)	3,970	(1,722)
Total comprehensive gain (loss)	—	—	10,985	(7,197)	3,788	6,796	10,584
Preferred share issuance to non-controlling interests (Note 10)	—	—	—	—	—	4,899	4,899
Preferred distribution to non-controlling interest (Note 10)	—	—	—	—	—	(9,826)	(9,826)
RSU Vesting (Note 11)	31	302	—	—	333	—	333
Divestment of RIBF Holdco	—	—	—	(2,719)	(2,719)	(19,204)	(21,923)
Share based compensation (Note 11)	—	1,856	—	—	1,856	—	1,856
As at September 30, 2026	**442,100**	**8,424**	**(504,832)**	**11,287**	**(43,021)**	**84,472**	**41,451**

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 gain (loss)	—	—	(7,582)	960	(6,622)	(9,745)	(16,367)
Preferred share issuance to non-controlling interests (Note 10)	—	—	—	—	—	3,972	3,972
RSU Vesting and Option Exercises (Note 11)	37	(6)	—	—	31	—	31
Share based compensation (Note 11)	—	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 CASH FLOWS

For the nine months ended September 30, 2026 and 2025

All amounts in thousands of Canadian Dollars, Unaudited

	Notes	Nine Months Ended September 30, 2026	2025
OPERATING ACTIVITIES		**$**	**$**
Net earnings / (loss)		**13,097**	**(15,836)**
Adjustments for the following non-cash items:			
Depreciation and amortization		6,107	4,283
Income tax expense		2,696	688
Finance costs		4,041	3,546
Share based compensation expense	11	1,856	1,319
Expected credit losses		9,102	4,329
Disposal of assets		121	—
Government grant income		(219)	(6,412)
Non-cash investment fair value changes		2,214	—
Divestment of RIBF and sale of CBF assets		(11,994)	—
Distribution to non-controlling interest		(9,826)	—
Other losses		—	881
Net change in operating assets and liabilities	15	(20,426)	19,533
Net cash received (paid) for income taxes		77	(848)
Cash (used in) provided by operating activities		**(3,154)**	**11,483**
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(6,163)	(2,542)
Reimbursement of property, plant and equipment		13	—
Investment in other long-term assets		(13,957)	(16,418)
Investment in intangible assets		(85)	(44)
Cash used in investing activities		**(20,192)**	**(19,004)**
FINANCING ACTIVITIES			
Restricted cash utilization		634	4,451
Proceeds from borrowings		13,231	—
Proceeds from exercise of stock options		49	6
Proceeds from grant funding		—	465
Proceeds from issuance of share capital		284	—
Proceeds from issuance of preferred capital in a subsidiary		4,899	3,972
Lease payments		(1,257)	(1,227)
Payment of interest	9	(2,977)	(3,081)
Repayment of debt	9	(2,874)	(3,404)
Cash provided by financing activities		**11,989**	**1,182**
Effect of exchange rate differences		**(5,443)**	**4,952**
Net change in cash during the period		**(16,800)**	**(1,387)**
Cash, beginning of period		**33,798**	**30,220**
Cash, end of period		**16,998**	**28,833**

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, Australia and South America. 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. Subsequently, the shares were transferred from Marny Holdco to Marny and are now held directly by Marny.

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

Assessment of significant influence over investees

In determining whether the Company has significant influence over an investee, management applies the requirements of IAS 28 Investments in Associates and Joint Ventures. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The assessment of significant influence requires the application of judgment and considers all relevant facts and circumstances, including, but not limited to:

- the Group's percentage ownership of voting rights, including potential voting rights that are currently exercisable or convertible;
- representation on the board of directors or equivalent governing body;
- participation in policy-making processes, including decisions regarding dividends or other distributions;
- material transactions between the Group and the investee;
- interchange of managerial personnel; and
- the provision of essential technical information or other strategic support.

Ownership of 20% or more of the voting power of an investee generally creates a rebuttable presumption that the Group has significant influence, unless it can be clearly demonstrated otherwise. Conversely, ownership of less than 20% does not necessarily preclude the existence of significant influence if other indicators are present.

Management reassesses the existence of significant influence whenever facts and circumstances indicate that the Group's ability to participate in the financial and operating policy decisions of an investee has changed. Such changes may arise from acquisitions or disposals of ownership interests, changes in contractual arrangements, modifications to governance rights, or other relevant events.

Investments over which the Group has significant influence, if any exist, are accounted for using the equity method. Where management concludes that significant influence does not exist despite ownership of 20% or more of the voting rights, or concludes that significant influence exists despite ownership of less than 20%, the basis for that judgment is disclosed where material to the financial statements.

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:

Accounting standards adopted during the period

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 Company adopted the amendments effective January 1, 2026. The adoption did not have a material impact on the Company’s condensed consolidated interim financial statements.

Annual Improvements to IFRS Accounting Standards – Volume 11

Effective January 1, 2026, the Company adopted Annual Improvements to IFRS Accounting Standards, Volume 11, which makes minor amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7 to clarify wording, correct minor unintended consequences and improve consistency. The adoption did not have a material impact on the Company’s condensed consolidated interim financial statements.

New standards and interpretations not yet adopted

IFRS 18 - Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued Presentation and Disclosure in Financial Statements (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 September 30, 2026 and December 31, 2025.

	Accounts receivable	
	Outstanding Balances at	
Related party:	September 30, 2026	December 31, 2025
Fibracast Ltd. ("Fibracast")	7	7
MD Waste Management Co Ltd *	11,644	11,641
Bioenergy Pte. Ltd	—	32
Total	11,651	11,680

	Loans receivable	
	Outstanding Balances at	
Related party:	September 30, 2026	December 31, 2025
Fibracast	556	532
Total	556	532

	Accounts Payable	
	Outstanding Balances at	
Related party:	September 30, 2026	December 31, 2025
W.M. Lyles Co.	3,448	2,986
Fibracast	40	53
Bioenergy Pte. Ltd	—	100
Total	3,488	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 September 30, 2026.

The Group had the following related party transactions for the three and nine months ended September 30, 2026 and 2025.

	Transactions for the Three Months Ended September 30,		**Transactions for the Nine Months Ended September 30,**	
	2026	2025	2026	2025
Related party:	Revenue for goods and services		Revenue for goods and services	
Rialto	—	—	—	11
W.M. Lyles Co.	—	—	—	418
Total	—	—	—	429
Related party:	Purchases of goods or services		Purchases of goods or services	
Fibracast	—	—	4	46
TGW Holdings **	—	—	—	—
W.M. Lyles	27	2,223	4,571	5,096
Total	27	2,223	4,575	5,142
Related party:	Interest charges		Interest charges	
Fibracast	24	—	24	—
Total	24	—	24	—

** 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 $101 were recognized as expenses for the three months ended September 30, 2026 and 2025, respectively, and $362 and $342 were recognized as expenses for the nine months ended September 30, 2026 and 2025, respectively.

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 September 30, 2026, was $556 (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 was accrued in other current assets on the accompanying condensed consolidated interim financial statements of financial position; however, the payment was not received and the Company was in dispute. During the second quarter of fiscal year 2025, the Company received $1,443 as partial payment for the sale. During the second quarter of fiscal year 2026, the Company accepted and received a settlement offer of $1,289, settling all remaining disputes.

Disposal of RIBF Holdco subsidiaries and CBF assets

On September 29, 2026, the Company completed the sale to Divert, Inc. and its affiliates ("Divert") of (i) its interest in Rhode Island Bioenergy Facility Holdco, LLC ("RIBF Holdco"), which owns Rhode Island Bioenergy Facility, LLC ("RIBF"), and (ii) the project assets of Charlotte Bioenergy Facility, LLC ("CBF"). The disposals were negotiated and completed as part of a single transaction. CBF remains a subsidiary of the Company.

The Company received non-cash consideration consisting of 1,353,076 Series C-1 preferred shares and 250,000 Series C preferred shares of Ara Divert HoldCo, Inc, the parent of Divert. The Series C shares were transferred by IIF Divert, LLC, an affiliate of North Sky Capital, as part of the transaction arrangements. Both components were valued at US$4.00 per share and included in the calculation of the disposal gain.

Separately, the Company subscribed for 89,750 Series C preferred shares for US$359 ($498) in cash, which is presented as an investing cash outflow. At September 30, 2026, the Company held a total of 1,692,826 preferred shares with a fair value of $9,639. The investment is measured at fair value through profit and loss (FVTPL). The sale of CBF assets included $4,661 in gains attributable to our NCI partner due to the terms of the profit sharing agreement.

Following completion of the sale, the Company deconsolidated RIBF Holdco and RIBF, derecognizing their assets and liabilities and the related non-controlling interest of $19,204. The CBF project assets were also derecognized. The Company recognized a gain on disposal of $21,923, of which $14,563 was attributable to shareholders of the Company. Transaction-related legal costs of $173 were recognized separately in other gains/(losses).

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, 2026	Carrying amount	Fair Value Level 2	Fair Value Level 3
Financial assets			
Investment in Crystal Energy	11,822	—	11,822
Investment in Lombardia Biometano	4,643	—	4,643
Investment in White Green Energy Societa Agricola Srl	11,456	—	11,456
Investment in Fibracast	370	—	370
Investment in Divert	9,639	—	9,639
Derivative asset	—	—	—
	37,930	**—**	**37,930**
Financial liabilities			
Derivative liability	—	—	—
Long-term debt	(26,345)	(24,139)	—
	(26,345)	**(24,139)**	**—**

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 in three new construction BioMethane plants in Italy, that are currently being constructed by the Company through our Capital Sales segment. 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 September 30, 2026 (Note 7).

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%. Management has assessed whether the Company's investments in Crystal Energy and White Green Energy provide the Company with significant influence in accordance with IAS 28 Investments in Associates and Joint Ventures. Although the Company's ownership interest gives rise to the rebuttable presumption of significant influence described in IAS 28.5, management has concluded that this presumption has been rebutted based on the specific facts and circumstances.

In reaching this conclusion, management considered all relevant contractual rights, governance arrangements and operating relationships with the investees. Management determined that the Company does not have the present ability to participate in the financial and operating policy decisions of the investees. In particular:

- the Company has no representation on the boards of directors of the investees and no contractual right to appoint directors or equivalent governing body members;
- the Company does not participate in policy-making processes and does not possess substantive approval rights over budgets, financing activities or other ordinary-course operating decisions;
- there is no interchange of key management personnel between the Company and the investees;
- the Company does not possess governance information rights or receive the financial and operational information necessary to participate in the financial and operating policy decisions of the investees; and
- while the Company has contractual engineering, procurement and construction and technical service arrangements with the investees, these arrangements are commercial in nature, are finite in duration and do not provide governance rights or decision-making authority over the investees.

Management also considered the reserved matters contained in the governing agreements and concluded that these rights are protective in nature and do not provide the Company with the ability to participate in the financial and operating policy decisions of the investees. In addition, despite requests for additional financial information, the Company has received only limited financial and operating information from the investees, further supporting the conclusion that it does not participate in their governance or decision-making processes.

Accordingly, management has concluded that the Company does not exercise significant influence over Crystal Energy or White Green Energy. The investments are therefore not accounted for as investments in associates under IAS 28 and continue to be classified and measured as financial assets in accordance with IFRS 9 Financial Instruments.

Management monitors the facts and circumstances surrounding these investments on an ongoing basis. This assessment will be reconsidered if relevant facts or circumstances change, including, but not limited to, the acquisition of board representation or board appointment rights, new governance or information rights, changes to shareholder or reserved matter arrangements, expansion of the Company's role into operations and maintenance or asset management, refinancing or capital restructuring, capital calls or other changes that could provide the Company with the ability to participate in the financial and operating policy decisions of the investees.

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. As of September 29, 2026, the loan associated with the cash flow hedge has been assumed by Divert as part of the sales transaction. See Note 4 for additional information on the sale transaction.

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, 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, including letters of patronage issued in connection with customer contracts and indemnity agreements related to performance bonds. 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, 2026, the Group's maximum exposure under these financial guarantee contracts was $63,871 (December 31, 2025 - $62,556); 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 is 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, 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 nine months ended September 30, 2026 would have resulted in an 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 accumulated other 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):

	Cumulative investment fair value adjustments	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	—	(5,692)	—
Noncash investment fair value changes	(1,889)	—	—
Fair value gains related to hedging transaction	—	—	384
Reclassification of CTA	—	(1,303)	1,303
Divestment of RIBF Holdco	—	(2,719)	—
As of September 30, 2026	**(1,889)**	**13,176**	**—**

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, 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	1,594	37	122	23	3,850	537	6,163
Disposals	(4,256)	—	(63)	(52,575)	(23,756)	(328)	(80,978)
Exchange adjustment	495	425	118	3,859	236	(8)	5,125
Balance at September 30, 2026	**13,908**	**9,908**	**5,963**	**66,250**	**1,868**	**2,400**	**100,297**
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	1,335	341	190	3,882	—	205	5,953
Disposals	(1,284)	—	(59)	(14,767)	(17,976)	(161)	(34,247)
Other adjustments	—	—	(1)	—	—	(12)	(13)
Exchange adjustment	194	230	47	923	186	5	1,585
Balance at September 30, 2026	**7,996**	**4,226**	**5,963**	**23,423**	**—**	**1,737**	**43,345**
Carrying amounts							
At January 1, 2026	**8,324**	**5,791**	**—**	**81,558**	**3,748**	**499**	**99,920**
At September 30, 2026	**5,912**	**5,682**	**—**	**42,827**	**1,868**	**663**	**56,952**
Of which: Net book value of right of use assets included in property, plant and equipment at September 30, 2026	**5,912**	**—**	**—**	**—**	**—**	**372**	**6,284**

Intangible Assets

The following table presents the summary of intangible assets and related accumulated amortization for the nine months ended September 30, 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	39	46	—	85
Exchange adjustment	3	3	9	15
As of September 30, 2026	**4,398**	**2,309**	**2,807**	**9,514**
Accumulated amortization and impairment				
As of January 1, 2026	2,361	2,236	2,406	7,003
Amortization	127	21	6	154
Exchange adjustment	2	3	—	5
As of September 30, 2026	**2,490**	**2,260**	**2,412**	**7,162**
Carrying amount				
At January 1, 2026	1,995	24	392	2,411
At September 30, 2026	**1,908**	**49**	**395**	**2,352**

7. Other long-term assets

Fibracast Investment

On October 25, 2023, Fibracast Ltd. 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 Ltd. during 2024 that reduced the ownership to 4.0%, the investment had been updated from the equity method to the FVTPL method of accounting as of December 31, 2024 and the remaining balance of $2,584 had been reclassed to other long-term assets.

In October 2026, Fibracast Ltd. initiated a capital raise of 10.0 million to 20.0 million preferred shares at $1.00 per share, convertible into common shares on a one-for-one basis for no additional consideration. The conversion price of the existing preferred shares was reduced from $6.99 to $1.00 per common share. In the third quarter of 2026, the Company remeasured its investment in Fibracast Ltd. to $370, with the resulting reduction recognized loss of $2,215.

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 September 30, 2026.

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%. Management has assessed the facts and circumstances relating to these investments and concluded that the Company does not have significant influence over the relevant investees. This conclusion is based on the absence of the ability to participate in the financial and operating policy decisions of the investees. The investments therefore continue to be accounted for in accordance with IFRS 9 Financial Instruments as equity investments measured at FVOCI.

Investment in Divert

On September 29, 2026, the Company completed the sale to Divert of (i) its interest in RIBF Holdco, which owns RIBF, and (ii) the project assets of CBF. The disposals were negotiated and completed as part of a single transaction. CBF remains a subsidiary of the Company. The Company received non-cash consideration consisting of 1,353,076 Series C-1 preferred shares and 250,000 Series C preferred shares of Ara Divert HoldCo, Inc., the parent of Divert. The Series C shares were transferred by IIF Divert, LLC, an affiliate of North Sky Capital, as part of the transaction arrangements. Both components were valued at US$4.00 per share and included in the calculation of the disposal gain.

Separately, the Company subscribed for 89,750 Series C preferred shares for US$359 ($498) in cash, which is presented as an investing cash outflow. At September 30, 2026, the Company held a total of 1,692,826 preferred shares with a fair value of $9,639. The investment is measured at fair value through profit and loss (FVTPL).

8. Revolving line of credit

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. Subject to lender approval and satisfaction of specified conditions, including certain EBITDA thresholds, the facility may be increased by up to $10,000 for a total commitment of up to $30,000. The Credit Facility matures on May 6, 2029, and borrowings bear interest at rates determined by reference to the applicable pricing tier based on the Company's debt to EBITDA ratio and is 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.

As of September 30, 2026, the Company had $14,533 outstanding balance under the revolving credit facility and $5,467 of undrawn commitment, subject to borrowing base availability. Availability under the facility is limited to the lesser of the commitment and a borrowing base calculated as 100% of available cash, 85% of insured or investment-grade eligible accounts receivable, 75% of other eligible accounts receivable and 50% of eligible inventory, less priority payables and intercompany accounts receivable. The borrowing interest rate in effect at September 30, 2026 was 6.70%, and the unused commitment fee rate on the unutilized portion of the facility was 0.81%. The carrying amount of the revolving line of credit, net of deferred financing costs, was $13,231.

The facility is secured by first-priority security over the present and future personal property of the Company and the other loan parties, guarantees from the other loan parties and pledges of their equity interests, subject to permitted encumbrances and customary local-law limitations. The Company is also required to maintain a debt to EBITDA ratio not greater than 3.50:1.00 and a debt service coverage ratio not less than 1.35:1.00, tested quarterly. The related compliance certificate and test are required within 60 days following each quarter-end. As of September 30, 2026, the Company was in compliance with these financial covenants. The related compliance certificate has not yet been submitted to the lender and is due in November 2026.

9. 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, 2026 Carrying amount	December 31, 2025 Carrying amount
Rhode Island Project Financing Term Loan	Prime plus 1.25%	2030	(a)	—	27,449
Live Oak Indenture	5.96%	2032	(b)	12,209	11,905
SoCal Organics Recycling Facility	4.00%	2033	(c)	10,911	11,314
Caterpillar Financial Services Term Loans	5.70% - 6.69%	2025 - 2028	(d)	3,491	3,477
Other	0% - 11.4%	2023 - 2027		212	526
				26,823	54,671
Less: issuance costs				(478)	(466)
Total long-term debt				26,345	54,205
Of which:					
Current				14,271	41,110
Long term				12,074	13,095

(a) Rhode Island Project Financing Term Loan

On September 28, 2023, the Company through its subsidiary, 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 had a seven-year term, and bore an 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%, and was non-recourse to Anaergia, Inc. or the Company's other subsidiaries except RIBF. 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 financial covenants during the fourth quarter of fiscal year 2025, this loan was classified as current as of December 31, 2025. Subsequent to the balance sheet date the Company requested and was granted a waiver of this covenant as of December 31, 2025. On September 29, 2026, the Company completed the sale to Divert, Inc. and its affiliates of its interest in RIBF Holdco, which owns RIBF. Upon the sale of RIBF Holdco and RIBF, Divert assumed the East West Bank loan and it was removed from the Company's consolidated financial statements.

(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 borrowed US$12,706 and 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 third quarter of fiscal year 2026, this loan is reclassified as current as of both December 31, 2025 and September 30, 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 September 30, 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 September 30, 2026. The Company was not in compliance with this financial covenant as of September 30, 2026, and expects to be in compliance at December 31, 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 agreement 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 September 30, 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 US$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 September 30, 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	14,271	1,265	15,536
13-24 months after period end	1,956	498	2,454
25-36 months after period end	4,145	300	4,445
37-48 months after period end	1,676	210	1,886
49-60 months after period end	1,744	142	1,886
Thereafter	3,031	78	3,109
	26,823	2,493	29,316

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	—	30	—	—	30
Repayment of debt	(62)	(1,181)	(1,049)	(582)	(2,874)
Interest paid	(1,702)	(561)	(329)	(152)	(2,744)
Foreign exchange adjustments	280	724	645	253	1,902
Interest accrual	1,812	615	336	158	2,921
Disposal on sale	(27,095)	—	—	—	(27,095)
Balance at September 30, 2026	—	12,275	10,415	3,655	26,345

10. 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	—	—	1,856
RSU Vesting	1,539	31	302
Balance as at September 30, 2026	**172,942**	**442,100**	**8,424**

Non-controlling Interest

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

Non-controlling interest	September 30, 2026	December 31, 2025
Anaergia Bioenergy Facilities, LLC	85,943	84,596
Rhode Island Holdco, LLC	—	18,682
Other entities	(1,471)	(1,471)
	84,472	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 member's aggregate invested capital until the balance of each preferred member's 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, 2026, the Company's preferred equity partners contributed $1,616. On September 29, 2026, the Company completed the sale to Divert of the project assets of CBF. The sale of CBF assets included $4,661 in gains attributable to our NCI partner due to the terms of the profit sharing agreement. See Note 4 for additional information on the sale transaction.

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 was calculated based upon the waterfall mechanism agreed by the Group and non-controlling interest in the LLC agreement.

The Group was a party to a profit sharing arrangement in RIBFH, the distributable cash flow was 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 were 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, 2026, the Company's preferred equity partners contributed $3,278. On September 29, 2026, the Company completed the sale to Divert, Inc. and its affiliates of its interest in RIBF Holdco, which owns RIBF. See Note 4 for additional information on the sale transaction.

11. Share-based payment plans

Employee Stock Option Plan ("ESOP")

The Company had an Employees Stock Options Plan (“ESOP”) under which certain of its employees (including those of its subsidiary entities) were granted a total of 667,263 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, 2026 and 2025, option holders of the Company’s ESOP exercised options for nil and 103,500 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 September 30, 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")	2,493,244	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, 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	—	—	—	515,473	2.97	515,473
Vested and Released	—	—	—	(2,687,616)	1.24	(2,687,616)
Cancelled/forfeited	—	—	—	(25,000)	0.79	(25,000)
Outstanding at September 30, 2026	—		—	2,493,244	$ 1.29	2,493,244
Exercisable/Vested at September 30, 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	—	—	—	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

At September 30, 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 and nine months ended September 30, 2026 and 2025 were as follows:

	Three Months Ended September 30, 2026		Nine Months Ended September 30, 2026	
	2021 Plan	Total	2021 Plan	Total
	$	$	$	$
Expense arising from RSUs	531	531	1,856	1,856
Total expense	531	531	1,856	1,856

	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

12. Commitments and Contingencies

	September 30, 2026	December 31, 2025
Financial Guarantee contracts	63,871	62,556
Letters of Credit	5,346	—
Contingent liabilities and legal claims	3,844	3,570
Performance bonds	110,213	101,566
Total	183,274	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 guarantees 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.

Letters of Credit

Letters of credit are commitments issued by financial institutions on behalf of the Company to guarantee payment or performance obligations to third parties. These arrangements guarantee the Company's payment or performance obligations to third parties and may require the Company to reimburse the issuing financial institution for any amounts paid to beneficiaries.

On February 5, 2025, the Company entered into an agreement securing a $13,900 line of credit with the Royal Bank of Canada ("RBC"), guaranteed by Export Development Canada ("EDC"). On November 17, 2025, the Company entered into an agreement increasing its line of credit to $27,800. This line of credit is valid through January 31, 2027 and has utilized $5,346 as collateral for Letters of Credit required on certain Capital Sales projects and related expenses as of September 30, 2026.

Contingent liabilities and legal claims

The Group is engaged in litigation and 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 successfully appealed this ruling during fiscal year 2026, and all taxes, penalties, and fees have been reversed.

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 2027. The Company intends to continue vigorously defending against the claim. As of September 30, 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 condensed consolidated interim financial statements where required. The Group also maintains comprehensive insurance coverage which may be available to reimburse actual expenditures in certain circumstances.

13. 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, 2026 and 2025:

	Revenue				Gross Profit (Loss)			
	Three Months Ended September 30,		Nine Months Ended September 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025	2026	2025	2026	2025
Capital Sales	58,008	44,336	160,041	83,619	14,213	13,326	39,527	25,331
O&M Services	4,825	5,190	12,682	15,159	2,545	2,941	5,659	6,929
Build, Own, and Operate	4,070	1,837	13,322	9,722	(357)	(1,496)	(1,597)	(1,592)
Total	66,903	51,363	186,045	108,500	16,401	14,771	43,589	30,668

The following is an analysis of the Group's total assets by reportable segment at September 30, 2026 and December 31, 2025:

	Capital Sales $	O&M Services $	Build, Own, and Operate $	Other $	Total $
At September 30, 2026	98,484	98,578	20,748	(5,341)	212,469
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 September 30,		Nine Months Ended September 30,	
Geographic Region	2026	2025	2026	2025
Italy	26,270	25,704	80,903	35,491
North America	36,144	16,884	82,767	53,413
Other EMEA	3,561	4,175	16,271	11,485
APAC	928	4,600	6,104	8,111
Total	66,903	51,363	186,045	108,500

	Non-current Assets	
Geographic Region	At September 30, 2026	At December 31, 2025
North America	56,741	100,100
Italy	908	700
Other EMEA	1,255	1,275
APAC	400	256
Total	59,304	102,331

14. 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 period. 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 10 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	2026	2025	2026	2025
Net income (loss)	19,548	(451)	13,097	(15,836)
Effect of profit sharing arrangement and preferred equity interests adjustment	(7,105)	2,842	(2,112)	8,254
Income (loss) available for ordinary shareholders - basic and dilutive	12,443	2,391	10,985	(7,582)
Weighted average Common Shares	172,808,254	169,991,723	171,987,203	169,913,796
Effect of profit sharing arrangement and preferred equity interests adjustment	3,306,384	—	3,910,732	—
Total ordinary shares	**176,114,638**	**169,991,723**	**175,897,935**	**169,913,796**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Basic income (loss) per share	$ 0.07	$ 0.01	$ 0.06	$ (0.04)
Diluted income (loss) per share	$ 0.07	$ 0.01	$ 0.06	$ (0.04)

Instruments excluded because they are considered anti-dilutive:

	Three Months Ended September 30,		Nine Months Ended September 30,	
Instruments:	2026	2025	2026	2025
Restricted stock units	2,493,244	3,889,141	2,493,244	3,889,141
Share purchase warrants - Marny	20,400,000	20,400,000	20,400,000	20,400,000
Common stock options outstanding	—	611,816	—	611,816
	22,893,244	**24,900,957**	**22,893,244**	**24,900,957**

15. 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,	
	2026	2025
Net change in operating assets and liabilities	**$**	**$**
Increase in accounts receivable	(13,218)	(2,525)
Decrease (increase) in contract assets	(22,812)	2,002
Decrease (increase) in prepaid expenses	167	(1,446)
Increase in inventory	(8)	(2,903)
Decrease (increase) in other current assets	3,981	(201)
Increase (decrease) in accounts payable	(7,508)	7,981
Decrease in accrued liabilities and provisions	(2,169)	(2,834)
Increase in contract liabilities	17,760	18,004
Increase in accrued interest	177	1,869
Others	3,204	(414)
	(20,426)	**19,533**

16. Subsequent events

On October 21, 2026, the Company received credit approval from National Bank of Canada for a $10,000 increase in its revolving credit facility, from $20,000 to $30,000, under the facility's accordion provision. Availability under the facility remains subject to the applicable borrowing base and other terms of the credit agreement.