

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the third quarter ended June 30, 2026

TERRAVEST INDUSTRIES INC.

Consolidated Statements of Financial Position

(Unaudited – in thousands of Canadian dollars)

	Note	As at June 30, 2026	As at September 30, 2025
		$	$
ASSETS			
Current			
Cash		**22,003**	13,946
Accounts receivable		**215,127**	210,390
Income taxes receivable		**17,449**	11,824
Inventories		**432,328**	351,637
Other current assets	7	**34,944**	25,817
		721,851	613,614
Non-Current			
Finance leases receivable		**5,116**	2,742
Property, plant and equipment		**396,200**	302,830
Right-of-use assets		**279,464**	223,025
Intangible assets		**401,392**	390,057
Net defined benefit asset		**13,367**	12,861
Deferred income tax assets		**9,932**	11,225
Investments	8	**31,024**	63,082
Goodwill		**502,650**	461,090
		2,360,996	2,080,526
LIABILITIES			
Current			
Accounts payable and accrued liabilities		**233,248**	172,487
Customer deposits		**96,571**	58,184
Dividends payable	10	**4,285**	3,795
Income taxes payable		**7,025**	2,551
Contingent considerations	5	**1,250**	52,724
Current portion of long-term debt	9	**108,851**	106,674
Current portion of lease liabilities		**17,507**	15,527
		468,737	411,942
Non-Current			
Long-term debt	9	**750,070**	647,307
Lease liabilities		**282,771**	221,441
Contingent considerations	5	**2,971**	-
Net defined benefit liability		**4,445**	4,599
Deferred income tax liabilities		**31,200**	33,081
		1,540,194	1,318,370
SHAREHOLDERS' EQUITY			
Share capital	10	**557,228**	563,988
Share premium		**(33,978)**	(10,748)
Share-based payments reserve		**2,155**	1,427
Accumulated other comprehensive income (loss)		**6,609**	(3,337)
Retained earnings		**231,678**	170,708
		763,692	722,038
Non-controlling interests		**57,110**	40,118
		820,802	762,156
		2,360,996	2,080,526

See accompanying notes to the interim condensed consolidated financial statements

On behalf of the Board:

/s/ Charles Pellerin, Director /s/ Blair Cook, Director

TERRAVEST INDUSTRIES INC.

Consolidated Statements of Income

(Unaudited – in thousands of Canadian dollars, except share and per share amounts)

	Note	Third quarters ended		Nine months ended	
		June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
		$	$	$	$
SALES	15				
Products		**391,923**	350,731	**1,113,145**	776,303
Services		**68,971**	54,976	**198,664**	175,439
		460,894	405,707	**1,311,809**	951,742
Cost of sales		**342,266**	300,235	**981,054**	684,860
Gross profit		**118,628**	105,472	**330,755**	266,882
EXPENSES					
Administration [i]		**61,292**	65,154	**183,601**	128,940
Selling		**11,224**	11,640	**36,061**	30,492
Financing costs	12	**17,348**	18,805	**49,530**	33,134
Other (gains) losses	13	**(10,563)**	(4,539)	**(45,470)**	(20,315)
		79,301	91,060	**223,722**	172,251
EARNINGS BEFORE INCOME TAXES		**39,327**	14,412	**107,033**	94,631
INCOME TAX EXPENSE (RECOVERY)					
Current		**8,020**	6,468	**26,540**	23,609
Deferred		**(4,297)**	(5,362)	**(3,066)**	(6,064)
		3,723	1,106	**23,474**	17,545
NET INCOME		**35,604**	13,306	**83,559**	77,086
Net income attributable to:					
Common shareholders		**30,865**	11,250	**74,116**	68,172
Non-controlling interests		**4,739**	2,056	**9,443**	8,914
		35,604	13,306	**83,559**	77,086
Weighted average number of common shares:					
Basic	11	**21,637,035**	20,421,384	**21,669,475**	19,808,083
Diluted	11	**22,115,563**	21,121,141	**22,158,148**	20,559,889
Net income per share:					
Basic	11	**$1.43**	$0.55	**$3.42**	$3.44
Diluted	11	**$1.40**	$0.53	**$3.34**	$3.32

[i] Includes amortization of intangible assets expense of $18,958 and $56,637 for the third quarter and nine months ended June 30, 2026 ($21,313 and $31,275 for the third quarter and nine months ended June 30, 2025).

See accompanying notes to the interim condensed consolidated financial statements

TERRAVEST INDUSTRIES INC.

Consolidated Statements of Comprehensive Income

(Unaudited – in thousands of Canadian dollars)

	Third quarters ended		Nine months ended	
	June 30, 2026	**June 30, 2025**	**June 30, 2026**	**June 30, 2025**
	$	**$**	**$**	**$**
NET INCOME	**35,604**	13,306	**83,559**	77,086
Other comprehensive income (loss):				
Item that may be reclassified subsequently to profit or loss:				
Exchange difference on translating foreign operations	**9,228**	(18,678)	**9,946**	(13,534)
COMPREHENSIVE INCOME (LOSS)	**44,832**	(5,372)	**93,505**	63,552
Attributable to:				
Common shareholders	**40,093**	(7,428)	**84,062**	54,638
Non-controlling interests	**4,739**	2,056	**9,443**	8,914
	44,832	(5,372)	**93,505**	63,552

See accompanying notes to the interim condensed consolidated financial statements

TERRAVEST INDUSTRIES INC.

Consolidated Statements of Changes in Shareholders' Equity

(Unaudited – in thousands of Canadian dollars)

	Note	Nine months ended June 30, 2026	Nine months ended June 30, 2025
		$	$
Share capital			
Common shares:	10		
Balance, beginning of year		**563,988**	250,644
Issued on bought deal offering, net of transaction costs		**-**	310,304
Issued on business combination, net of transaction costs		**-**	2,487
Issued on exercise of stock options		**-**	558
Repurchased and cancelled during the period		**(6,760)**	-
Balance, end of period		**557,228**	563,993
Share premium			
Balance, beginning of year		**(10,748)**	14,838
Carrying value of common shares repurchased lower than consideration paid		**(23,230)**	-
Reduction on exercise of stock options		**-**	(10,079)
Excess consideration paid on settlement of stock options		**-**	(15,507)
Balance, end of period		**(33,978)**	(10,748)
Share-based payments reserve			
Balance, beginning of year		**1,427**	2,144
Share-based payments expense		**728**	196
Reduction on exercise and settlement of stock options		**-**	(947)
Balance, end of period		**2,155**	1,393
Accumulated other comprehensive income (loss)			
Balance, beginning of year		**(3,337)**	1,318
Other comprehensive income (loss)		**9,946**	(13,534)
Balance, end of period		**6,609**	(12,216)
Retained earnings			
Balance, beginning of year		**170,708**	98,707
Net income attributable to common shareholders		**74,116**	68,172
Change in non-controlling interest		**(187)**	(658)
Dividends declared during the period	10	**(12,959)**	(10,621)
Balance, end of period		**231,678**	155,600
Total shareholders' equity attributable to common shareholders		**763,692**	698,022
Non-controlling interests			
Balance, beginning of year		**40,118**	31,967
Recognition of non-controlling interest	5	**4,203**	-
Change in non-controlling interest		**2,936**	(1,322)
Change attributable to subsidiary's stock options plan		**410**	436
Net income attributable to non-controlling interests		**9,443**	8,914
Balance, end of period		**57,110**	39,995
Total shareholders' equity		**820,802**	738,017

See accompanying notes to the interim condensed consolidated financial statements

TERRAVEST INDUSTRIES INC.

Consolidated Statements of Cash Flows

(Unaudited – in thousands of Canadian dollars)

	Note	Nine months ended June 30, 2026	Nine months ended June 30, 2025
		$	$
OPERATING ACTIVITIES			
Net income		**83,559**	77,086
Adjustments for:			
Current income tax expense		**26,540**	23,609
Interest expense		**48,149**	32,007
Items not affecting cash	14	**71,576**	48,105
Interest paid		**(48,680)**	(30,782)
Net income taxes paid		**(28,277)**	(29,789)
Contributions to post-employment benefits plans		**(74)**	(83)
Settlement of derivative financial instruments		**1,562**	(628)
Change in non-cash operating working capital items	14	**31,689**	(20,740)
		186,044	98,785
INVESTING ACTIVITIES			
Consideration paid on business combinations, net of cash acquired	5	**(178,884)**	(848,381)
Purchase of other property, plant and equipment		**(57,792)**	(41,376)
Proceeds from disposal of other property, plant and equipment		**5,750**	2,335
Purchase of property, plant and equipment for rental		**(10,825)**	(4,618)
Proceeds from disposal of property, plant and equipment for rental		**3,885**	7,077
Purchase of intangible assets		**(797)**	(1,401)
Investments	14	**18,839**	(36,155)
Proceeds from sale of business		**500**	2,992
		(219,324)	(919,527)
FINANCING ACTIVITIES			
Net change in long-term revolving operating loans, net of transaction costs		**174,179**	361,082
Issuance of long-term debt		**22,700**	413,200
Repayment of long-term debt		**(106,321)**	(213,511)
Repayment of lease liabilities		**(11,917)**	(8,813)
Issuance of common shares, net of transaction costs		**-**	307,017
Common shares repurchased and cancelled	10	**(29,990)**	-
Exercise and settlement of stock options, net of proceeds		**-**	(25,975)
Dividends paid		**(12,469)**	(9,751)
Net change in non-controlling interests		**2,644**	(2,101)
		38,826	821,148
Net inflows for the period		**5,546**	406
Cash, beginning of year		**13,946**	28,375
Impact of foreign exchange on cash		**2,511**	(1,679)
CASH, END OF PERIOD		**22,003**	27,102

See accompanying notes to the interim condensed consolidated financial statements

1. DESCRIPTION OF THE BUSINESS

TerraVest Industries Inc. ("TerraVest" or the "Company") is incorporated under the laws of Alberta and is listed on the Toronto Stock Exchange (equity symbol: TVK). TerraVest's head office is located at 6205 60th Street in Vegreville, Alberta, Canada.

TerraVest is a diversified industrial company that manufactures and sells goods and services to various end-markets including: agriculture, mining, energy production and distribution, chemical, utilities, transportation, data center infrastructure and construction, among others. TerraVest is focused on acquiring and operating market leading businesses that will benefit from TerraVest's financial and operational support. These opportunities generally center on manufactured products and services that complement TerraVest's existing operations and provide integration benefits.

TerraVest is comprised of four operating segments as follows: Home Heating and Cooling Products and Containment Equipment ("HVAC and Containment Equipment"), Compressed Gas Storage and Distribution Equipment ("Compressed Gas Equipment"), Energy Processing Equipment ("Processing Equipment") and Service.

2. STATEMENT OF COMPLIANCE

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* ("IAS 34") using the same accounting policies TerraVest disclosed in its audited consolidated financial statements for the year ended September 30, 2025.

These interim condensed consolidated financial statements do not include all the information required under IFRS Accounting Standards ("IFRS") for complete set of financial statements. Therefore, these interim condensed consolidated financial statements should be read in conjunction with TerraVest's audited consolidated financial statements for the year ended September 30, 2025.

These interim condensed consolidated financial statements were authorized for issue by the Board of Directors on August 12, 2026.

3. ESTIMATES

The preparation of financial statements requires management to make judgments, estimates and assumptions that may affect the application of policies and reported amounts of assets, liabilities, contingent assets and liabilities, income and expenses. Actual results could differ from these judgments, estimates and assumptions.

The judgments, estimates and assumptions applied in the interim condensed consolidated financial statements, including the key areas of estimation uncertainty, were the same as those applied in TerraVest's audited consolidated financial statements for the year ended September 30, 2025.

4. SEASONALITY

TerraVest's operating segments are seasonal in nature. The strongest quarters for TerraVest have historically been its first and last quarters. The Processing Equipment and Service segments generally experience higher sales in the first and second quarters as majority of the drilling in Western Canada occurs during this period. The HVAC and Containment Equipment and Compressed Gas Equipment segments generally experience higher sales during the first and last quarters as demand for residential, commercial and industrial heating products increases, heading into the winter months. The third quarter is typically the weakest across all segments. TerraVest takes advantage of this seasonality to build inventory levels during non-peak demand periods, thereby allowing TerraVest to more readily meet increased levels of demand during its regular peak demand periods. However, the current economic context as well as the diversification of the mix of end markets served by TerraVest might change that historical seasonal profile.

5. BUSINESS COMBINATIONS

Determination of fair value

The fair value of assets acquired and liabilities assumed at the acquisition date was determined based on TerraVest's assumptions and estimates.

Accounts receivable

Receivables were recognized at their estimated fair value, which is not substantially different from their gross contractual value and expected receipts.

Inventories

Inventories were recognized at their estimated fair value, which is the estimated selling price in the ordinary course of business less the estimated costs of completion and sale, and a reasonable profit margin based on the effort required to complete and sell the inventories.

Property, plant and equipment

Property plant and equipment ("PP&E") were recognized at their estimated fair value, based on market comparison and replacement cost techniques.

Right-of-use assets and lease liabilities

For assets under leases, the right-of-use assets were measured at the same amount as the lease liabilities. The lease liabilities were measured at the present value of future lease payments of the acquired business using its incremental borrowing rate as at the acquisition date.

Intangible assets

TerraVest estimated the fair value of intangible assets acquired using different valuation techniques, all primarily based upon discounted cash flows according to currently available information, such as historical and projected revenues, customer attrition rates and certain other relevant assumptions.

Deferred income taxes

Deferred income tax assets and liabilities were estimated at the income tax rates that are expected to apply in the period in which the asset is expected to be realized or the liability settled.

2026 Business combinations

In May 2026, a partially-owned subsidiary of TerraVest, Green Energy Services Inc. ("GES"), entered into an acquisition agreement to acquire the Canadian assets of Colter Energy LP and Colter Energy Services Canada Ltd. The acquisition was completed through Colter Energy Inc. ("Colter"), a partially-owned new company formed by GES. Headquartered in Grande Prairie, Alberta, Colter provides well testing and production flowback services to the Western Canadian energy industry.

In January 2026, a wholly-owned subsidiary of TerraVest entered into a share purchase agreement to purchase all the issued and outstanding shares of KBK Industries, LLC ("KBK"). Headquartered in Woodlands, Texas, KBK is a manufacturer of aboveground and underground fiberglass tanks and steel storage tanks for the convenience store ("c-store"), agricultural, chemical, infrastructure and energy markets.

TerraVest also acquired three other businesses that were not individually significant and are presented on a combined basis under "Other".

The acquisitions were business combinations and have been accounted for using the acquisition method with the results of operations included in earnings from the date of acquisition.

Fair value of the consideration transferred at the acquisition date

	Preliminary			
	KBK	**Colter**	**Other**	**Total**
	$	**$**	**$**	**$**
Cash consideration	**123,570**	**34,670**	**18,719**	**176,959**
In-kind consideration of net assets transferred under common control	**-**	**-**	**4,104**	**4,104**
Amount payable (receivable) to (from) the vendors	**-**	**136**	**277**	**413**
Contingent consideration payable to the vendors	**-**	**-**	**4,180**	**4,180**
	123,570	**34,806**	**27,280**	**185,656**

Assets acquired and liabilities assumed at the acquisition date

The preliminary fair value of the identifiable assets acquired and liabilities assumed as at the acquisition date is as follows:

	Preliminary [i]			
	KBK	**Colter**	**Other**	**Total**
	$	**$**	**$**	**$**
ASSETS				
Cash	**5**	**1,256**	**1,510**	**2,771**
Accounts receivable	**9,433**	**5,718**	**4,937**	**20,088**
Inventories	**13,466**	**393**	**3,697**	**17,556**
Other current assets	**1,069**	**135**	**80**	**1,284**
Property, plant and equipment	**8,049**	**36,533**	**9,624**	**54,206**
Right-of-use assets	**42,146**	**1,683**	**1,220**	**45,049**
Intangible assets	**56,774**	**-**	**449**	**57,223**
	130,942	**45,718**	**21,517**	**198,177**
LIABILITIES				
Accounts payable and accrued liabilities	**7,219**	**3,269**	**1,784**	**12,272**
Customer deposits	**2,542**	**-**	**232**	**2,774**
Income taxes payable	**-**	**-**	**354**	**354**
Lease liabilities	**42,146**	**1,683**	**1,220**	**45,049**
Deferred income tax liabilities	**-**	**1,371**	**-**	**1,371**
	51,907	**6,323**	**3,590**	**61,820**
Net identifiable assets acquired	**79,035**	**39,395**	**17,927**	**136,357**

[i] TerraVest is currently evaluating the fair value of assets acquired and liabilities assumed at the acquisition date. The estimated fair value of assets acquired, and liabilities assumed may be subject to change until the business combinations have been finalized.

Goodwill (gain on bargain purchase) arising from the business combinations

	Preliminary			
	KBK	**Colter**	**Other**	**Total**
	$	**$**	**$**	**$**
Consideration transferred	**123,570**	**34,806**	**27,280**	**185,656**
Non-controlling interest	**-**	**-**	**4,203**	**4,203**
Less:				
Fair value of net identifiable assets acquired	**79,035**	**39,395**	**17,927**	**136,357**
Goodwill (gain on bargain purchase)	**44,535**	**(4,589)**	**13,556**	**53,502**

The acquisition of KBK was undertaken to leverage TerraVest's product suite and scale, as the business manufactures complementary products. The preliminary goodwill associated with this acquisition is partially attributable to the existing workforce and expected synergies and is deductible for income tax purposes.

The acquisition of Colter was undertaken to grow the well testing and production flowback activities that complement TerraVest's existing operations in the Service segment. The gain on bargain purchase was recorded in the consolidated statements of income as other (gains) losses and is mostly a result of PP&E recognized at the acquisition date.

Acquisition-related costs incurred during the nine months ended June 30, 2026

	KBK	**Colter**	**Other**	**Total**
	$	**$**	**$**	**$**
Acquisition-related costs [i)]	**834**	**162**	**539**	**1,535**

[i)] Included in administration expenses.

Business combinations contribution to TerraVest results

TerraVest's consolidated statements of income for the nine months ended June 30, 2026 includes the following results generated from TerraVest business combinations' results since their respective acquisition date:

	KBK	**Colter**
	$	**$**
Sales	**43,512**	**4,706**
Net income (loss)	**2,669**	**(14)**

Supplemental pro forma information

If the businesses had been acquired on October 1, 2025, TerraVest's consolidated sales and net income for the nine months ended June 30, 2026 would have stood at the approximate following amount:

	Consolidated individually with
	KBK
	$
Pro forma consolidated sales	**1,335,743**
Pro forma consolidated net income	**87,508**

TerraVest considers the pro forma figures to be an approximate measurement of the financial performance of the consolidated entities. Due to the integration of Colter's Canadian operations with its U.S. operations prior to the acquisition, sufficient historical financial information was not available to determine reliably the contribution of the acquired business to pro forma consolidated sales and net income for the nine months ended June 30, 2026.

2025 Business combinations

TerraVest finalized the purchase price allocation for all business combinations completed in 2025. The final comparative figures are presented in these interim condensed consolidated financial statements.

Fair value of the consideration transferred at the acquisition date

	Final						
	Tankcon	Simplex	LBT	Entrans	Aureus & Wave	Other	Total
	$	$	$	$	$	$	$
Cash consideration	**25,659**	**39,927**	**20,111**	**779,590**	**28,470**	**4,822**	**898,579**
Common shares issued	**2,500**	**-**	**-**	**-**	**-**	**-**	**2,500**
Amount payable to the vendors	**-**	**667**	**256**	**-**	**-**	**-**	**923**
Contingent consideration payable to the vendors	**-**	**-**	**-**	**58,770**	**-**	**-**	**58,770**
	28,159	**40,594**	**20,367**	**838,360**	**28,470**	**4,822**	**960,772**

Assets acquired and liabilities assumed at the acquisition date

The fair value of the identifiable assets acquired and liabilities assumed as at the acquisition date is as follows:

	Final						
	Tankcon	Simplex	LBT	Entrans	Aureus & Wave	Other	Total
	$	$	$	$	$	$	$
ASSETS							
Cash	**1,079**	**14,951**	**1,219**	**22,730**	**-**	**258**	**40,237**
Accounts receivable	**758**	**14,446**	**4,051**	**58,256**	**-**	**509**	**78,020**
Income taxes receivable	**-**	**-**	**-**	**3,826**	**-**	**87**	**3,913**
Inventories	**2,020**	**16,225**	**10,435**	**105,247**	**350**	**1,272**	**135,549**
Other current assets	**57**	**362**	**76**	**5,392**	**161**	**80**	**6,128**
Property, plant and equipment	**9,815**	**6,181**	**2,711**	**60,082**	**35,482**	**208**	**114,479**
Right-of-use assets	**3,024**	**22,023**	**22,484**	**65,706**	**6,641**	**2,400**	**122,278**
Intangible assets	**10,751**	**22,653**	**9,604**	**360,369**	**2,824**	**-**	**406,201**
Deferred income tax assets	**-**	**-**	**-**	**-**	**-**	**473**	**473**
	27,504	**96,841**	**50,580**	**681,608**	**45,458**	**5,287**	**907,278**
LIABILITIES							
Accounts payable and accrued liabilities	**1,164**	**6,055**	**5,645**	**94,247**	**222**	**588**	**107,921**
Customer deposits	**179**	**28,746**	**117**	**13,518**	**-**	**712**	**43,272**
Income taxes payable	**239**	**1,401**	**-**	**1,455**	**-**	**-**	**3,095**
Lease liabilities	**3,024**	**22,023**	**22,484**	**65,706**	**6,641**	**2,400**	**122,278**
Net defined benefit liability	**-**	**-**	**-**	**1,290**	**-**	**-**	**1,290**
Deferred income tax liabilities	**2,722**	**-**	**349**	**19,572**	**2,329**	**-**	**24,972**
	7,328	**58,225**	**28,595**	**195,788**	**9,192**	**3,700**	**302,828**
Net identifiable assets acquired	**20,176**	**38,616**	**21,985**	**485,820**	**36,266**	**1,587**	**604,450**

Goodwill (gain on bargain purchase) arising from the business combinations

	Final						
	Tankcon	Simplex	LBT	Entrans	Aureus & Wave	Other	Total
	$	$	$	$	$	$	$
Consideration transferred	**28,159**	**40,594**	**20,367**	**838,360**	**28,470**	**4,822**	**960,772**
Less:							
Fair value of net identifiable assets acquired	**20,176**	**38,616**	**21,985**	**485,820**	**36,266**	**1,587**	**604,450**
Goodwill (gain on bargain purchase)	**7,983**	**1,978**	**(1,618)**	**352,540**	**(7,796)**	**3,235**	**356,322**

6. FINANCIAL INSTRUMENTS

The fair values of short-term financial assets and liabilities approximate their respective carrying amounts at the reporting date due to the short-term maturities of these instruments. The fair value of the long-term debt approximates its carrying amount at the reporting date as it either bears interest at variable rates or has terms and conditions comparable to current market terms and conditions for similar items and is classified in Level 2 of the fair value hierarchy. The fair value of the contingent considerations has been determined based on management's best estimate of budgeted EBITDA of the acquired businesses and is classified in Level 3 of the fair value hierarchy. The fair value of the investment in equity instruments has been determined based on the quoted price in active markets and is classified in Level 1 of the fair value hierarchy. The fair value of the investment in a limited partnership, which is not traded in an active market, is determined using valuation techniques such as comparable recent arms' length analysis and is classified in Level 3 of the fair value hierarchy.

TerraVest's derivative financial instruments are forward exchange contracts, commodity swap contracts and interest rate swap agreements which are not traded in active markets. Forward exchange contracts have been fair valued using observable forward exchange rates and interest rates corresponding to the maturity of the contracts while commodity swap contracts have been fair valued using observable commodity prices corresponding to the maturity of the contracts. The interest rate swap agreements have been fair valued using observable interest rates corresponding to the maturity of the agreements. The effects of non-observable inputs are not significant for forward exchange contracts, commodity swap contracts and interest rate swap agreements. These items are classified in Level 2 of the fair value hierarchy.

6.1 Forward exchange contracts

As at June 30, 2026, TerraVest had forward exchange contracts to sell US dollars into Canadian dollars for notional amounts totaling US$28,800 (US$27,600 as at September 30, 2025) to sell at various rates and expiring on various dates up to and including June 28, 2029. The fair value of forward exchange contracts was a liability of $867 as at June 30, 2026 ($326 as at September 30, 2025) included in accounts payable and accrued liabilities.

6.2 Interest rate swap agreements

TerraVest had interest rate swap agreements described as follows:

			As at June 30, 2026	As at September 30, 2025
Maturity	**Fixed rate**	**Notional amount**	**Fair value** [i]	**Fair value** [i]
		$	**$**	**$**
August 2027	3.13%	**10,000**	**(77)**	(151)
August 2029	2.98%	**10,000**	**(77)**	(207)
			(154)	(358)

[i] Included in accounts payable and accrued liabilities.

6.3 Commodity swap contracts

As at June 30, 2026, TerraVest had commodity swap contracts to purchase nickel and aluminium for notional quantities totaling 1,710,000 lbs (1,555,000 lbs as at September 30, 2025). The agreements have varying contractual prices and expiration dates up to and including March 31, 2027. As at June 30, 2026, the fair value of commodity swap contracts was an asset of $24 included in other current assets and a liability of $387 included in accounts payable and accrued liabilities (asset of $1,006 as at September 30, 2025).

7. OTHER CURRENT ASSETS

	As at June 30, 2026	As at September 30, 2025
	$	**$**
Prepaid expenses and deposits	**30,439**	22,613
Derivative financial instruments	**24**	1,006
Current portion of finance leases receivable	**1,114**	502
Other	**3,367**	1,696
	34,944	25,817

8. INVESTMENTS

	As at June 30, 2026	As at September 30, 2025
	$	**$**
At equity method		
Investment in associate	**1,183**	1,233
Investment in joint ventures	**68**	76
	1,251	1,309
At fair value through profit or loss		
Investment in equity instruments	**22,389**	54,984
Investment in a limited partnership	**7,384**	6,789
	29,773	61,773
	31,024	63,082

9. REVOLVING CREDIT FACILITIES AND LONG-TERM DEBT

	Note	As at June 30, 2026	As at September 30, 2025
		$	$
Revolving credit facilities:			
Revolving operating credit facility, floating rate, maturing in April 2029		**676,327**	487,784
Revolving term loans, floating rate, payable in consecutive monthly capital instalments totaling $467 plus interest, maturing up to May 2031		**21,467**	14,733
Interest bearing financing:			
Loans, floating rate, payable in equal and consecutive monthly capital instalments totaling $65 plus interest, maturing up to July 2027		**686**	2,744
Term loans, floating rate, maturing up to March 2028		**146,433**	246,433
Term loan, floating rate, payable in equal and consecutive quarterly capital instalments of $625 plus interest, maturing in March 2031	9.1	**11,875**	-
Other		**87**	190
Non-interest bearing financing:			
Loans, effective interest rates between 3.45% and 3.95%, payable in 72 equal and consecutive monthly instalments totaling $23, maturing in August 2026		**46**	238
Loan, payable in 60 equal and consecutive monthly instalments of $33 starting in December 2027, maturing in November 2032		**2,000**	1,800
Loans, repaid in February 2026		**-**	59
		858,921	753,981
Current portion of long-term debt		**(108,851)**	(106,674)
		750,070	647,307

9.1 Credit Facilities in Service segment

In May 2026, a subsidiary of TerraVest operating in the Service segment, Colter, had credit facilities with a Canadian financial institution. The credit facilities include a revolving operating loan for a maximum borrowing capacity of $5,000, a term loan of $12,500 used to partially finance the acquisition of assets of Colter and a delayed draw term loan of up to $12,500 available to finance future business acquisitions.

The revolving operating loan can be used for general corporate purposes. The credit facilities bear interest at Canadian prime rate plus a spread of 25 to 75 basis points, or at Term CORRA plus a spread of 150 to 200 basis points. As at June 30, 2026, the interest rate was 4.70% on Canadian open-ended borrowings.

The credit facilities are secured by a first-ranking security interest over all present and future personal property of Colter, an assignment of insurance proceeds, and a first-priority pledge by GES of its entire ownership interest in Colter.

9.2 Covenants

The quarterly financial covenants to comply with the revolving credit facilities and long-term debt were as follows:

Financial covenants	Required measurements	As at June 30, 2026
Funded debt to EBITDA ratios	≤ 2.00:1, ≤ 2.50:1 and ≤ 4.25:1	**1.05, 0.38 and 3.44**
Interest coverage ratio	≥ 3.00:1	**4.74**
Fixed charge coverage ratios	≥ 1.25:1 and ≥ 1.10:1	**3.61 and 3.25**

As at June 30, 2026, TerraVest was in compliance with all of its financial and non-financial covenants.

10. SHARE CAPITAL

10.1 Common shares

Changes in the common shares issued and outstanding were as follows:

	As at June 30, 2026	
	Number	Amount
		$
Balance, beginning of year	**21,685,695**	**563,988**
Repurchased and cancelled	**(259,915)**	**(6,760)**
Balance, end of period	**21,425,780**	**557,228**

During the nine months ended June 30, 2026, TerraVest repurchased 259,915 common shares under its common shares normal course issuer bid ("NCIB") for total consideration of $29,990. The difference between the amount paid for the common shares and their carrying value was recorded in share premium.

In April 2026, TerraVest has entered into an Automatic Share Purchase Plan ("ASPP") in order to facilitate, on any trading day, the repurchase of common shares under its common shares NCIB. The remaining number of common shares available for repurchase under the current common shares NCIB was 1,298,601 as at June 30, 2026.

10.2 Share-based payment arrangements

TerraVest has a stock option plan for which options are granted to key management personnel to purchase common shares of TerraVest and a deferred share unit ("DSU") plan for non-employee directors.

The stock option plan and the DSU plan are "rolling" plans whereby the number of common shares that may be reserved for issuance shall be up to 10% of the issued common shares outstanding from time to time. An aggregate of 2,142,578 common shares can be issued under the stock option and DSU plans, of which 1,392,250 were available for grant as at June 30, 2026. The stock options outstanding and the weighted average exercise prices as at June 30, 2026 were as follows:

Grant Date	Expiry Date	Exercise price	Opening balance	Granted	Closing balance	Vested and exercisable	Unvested
Feb. 18, 2022	Feb. 18, 2032	$24.49	316,500	-	316,500	316,500	-
Feb. 18, 2022	Feb. 18, 2032	$26.99	33,333	-	33,333	33,333	-
Feb. 18, 2022	Feb. 18, 2032	$29.49	66,667	-	66,667	33,334	33,333
Feb. 18, 2022	Feb. 18, 2032	$31.99	100,000	-	100,000	33,333	66,667
Feb. 18, 2022	Feb. 18, 2032	$34.49	100,000	-	100,000	-	100,000
Feb. 17, 2026	Feb. 17, 2036	$142.61	-	133,333	133,333	-	133,333
			616,500	133,333	749,833	416,500	333,333
	Weighted average exercise price		$28.00	$142.61	$48.38	$25.69	

During the nine months ended June 30, 2026, none were redeemed, and no stock options were exercised or forfeited. In February 2026, TerraVest granted 133,333 stock options to key management personnel. The option grant price is equal to the volume-weighted average trading price of TerraVest's common shares on the Toronto Stock Exchange for the five trading days immediately preceding the date of grant. The stock options granted expire ten years from the grant date, may only be exercised for common shares of TerraVest and vest as follows:

	Number of options
On the first anniversary of the grant date	11,111
On the second anniversary of the grant date	22,222
On the third anniversary of the grant date	33,333
On the fourth anniversary of the grant date	33,333
On the fifth anniversary of the grant date	22,222
On the sixth anniversary of the grant date	11,112
	133,333

The grant-date fair value of stock options granted during the period was $35.52 to $40.99 per option. The fair value of each option granted was determined using the Black-Scholes option pricing model which incorporates the following assumptions:

Options granted	**133,333**
Risk-free interest rate	**2.38% and 2.90%**
Expected dividend yield	**0.65% to 0.82%**
Expected volatility [i)]	**30.39% to 41.95%**
Expected option life	**2.7 to 7.7 years**
Forfeiture rate	**Nil**
Liquidity discount	**20%**
Grant date share price	**$145.32**
Exercise price per share	**$142.61**

[i)] The underlying expected volatility was determined by reference to historical data of TerraVest's share price on the Toronto Stock Exchange.

10.3 Dividends

During the nine months ended June 30, 2026, TerraVest has declared cash dividends totaling $0.60 per common share ($0.525 per common share during the nine months ended June 30, 2025). As at June 30, 2026, $4,285 was included in dividends payable.

Subsequent to the end of the quarter, TerraVest declared a cash dividend of $0.20 per common share payable on October 9, 2026 to shareholders of record on September 30, 2026.

11. EARNINGS PER SHARE

The following table provides a breakdown of the numerator and denominator used in the calculation of earnings per share and diluted earnings per share:

	Third quarters ended		Nine months ended	
	June 30, 2026	**June 30, 2025**	**June 30, 2026**	**June 30, 2025**
Numerator				
Net income attributable to common shareholders	**$30,865**	$11,250	**$74,116**	$68,172
Denominator				
Common shares, beginning of period	**21,685,695**	19,501,433	**21,685,695**	19,501,433
Weighted average shares issued	**-**	919,951	**-**	306,650
Weighted average shares repurchased	**(48,660)**	-	**(16,220)**	-
Weighted average shares, end of period - basic	**21,637,035**	20,421,384	**21,669,475**	19,808,083
Dilutive effect of options	**478,528**	699,757	**488,673**	751,806
Weighted average shares, end of period - diluted	**22,115,563**	21,121,141	**22,158,148**	20,559,889
Net income per share - basic	**$1.43**	$0.55	**$3.42**	$3.44
Net income per share - diluted	**$1.40**	$0.53	**$3.34**	$3.32

12. FINANCING COSTS

	Third quarters ended		Nine months ended	
	June 30, 2026	**June 30, 2025**	**June 30, 2026**	**June 30, 2025**
	$	**$**	**$**	**$**
Interest on revolving credit facilities and long-term debt	**12,300**	15,044	**35,369**	25,283
Interest on lease liabilities	**4,622**	3,322	**12,780**	6,724
Amortization of financing costs	**426**	439	**1,381**	1,127
	17,348	18,805	**49,530**	33,134

13. OTHER (GAINS) LOSSES

	Third quarters ended		Nine months ended	
	June 30, 2026	**June 30, 2025**	**June 30, 2026**	**June 30, 2025**
	$	**$**	**$**	**$**
(Gain) loss on foreign exchange	**(4,395)**	9,672	**(5,025)**	(1,009)
Change in fair value of derivative financial instruments	**877**	(2,481)	**136**	474
Change in fair value of investment in equity instruments	**(1,399)**	(11,616)	**14,187**	(14,896)
Change in fair value of investment in a limited partnership	**(496)**	(114)	**(439)**	(190)
Change in fair value of contingent considerations	**-**	-	**(48,307)**	-
(Gain) loss on disposal of other property, plant and equipment	**16**	7	**(445)**	(117)
(Gain) loss on disposal of property, plant and equipment for rental	**(91)**	(23)	**(280)**	(452)
(Gain) loss on derecognition of finance leases receivable	**(37)**	-	**(37)**	-
(Gain) loss on sale of business	**-**	-	**-**	(136)
Gain on bargain purchase (Note 5)	**(5,038)**	-	**(5,323)**	(3,993)
Share of an associate and joint ventures net (income) loss	**-**	16	**63**	4
	(10,563)	(4,539)	**(45,470)**	(20,315)

14. SUPPLEMENTAL CASH FLOW INFORMATION

	Nine months ended	
	June 30, 2026	**June 30, 2025**
	$	**$**
Adjustments for items not affecting cash		
Depreciation of other property, plant and equipment	**39,526**	26,843
Depreciation of property, plant and equipment for rental	**2,633**	1,862
Depreciation of right-of-use assets	**18,510**	12,006
Amortization of intangible assets	**56,637**	31,275
Amortization of financing costs	**1,381**	1,127
Post-employment benefits costs	**(195)**	245
Share-based compensation expense	**1,243**	753
Inventory write-downs	**242**	112
Change in fair value of derivative financial instruments	**136**	474
Change in fair value of investment in equity instruments	**14,187**	(14,896)
Change in fair value of investment in a limited partnership	**(439)**	(190)
Change in fair value of contingent considerations	**(48,307)**	-
(Gain) loss on disposal of other property, plant and equipment	**(445)**	(117)
(Gain) loss on disposal of property, plant and equipment for rental	**(280)**	(452)
(Gain) loss on derecognition of finance leases receivable	**(37)**	-
(Gain) loss on sale of business	**-**	(136)
Gain on bargain purchase (Note 5)	**(5,323)**	(3,993)
Deferred income tax expense (recovery)	**(3,066)**	(6,064)
Share of an associate and joint ventures net (income) loss	**63**	4
Unrealized foreign exchange (gain) loss [i)]	**(4,890)**	(748)
	71,576	48,105

[i)] Includes $69 of unrealized foreign exchange gain on long-term debt for the nine months ended June 30, 2026 ($618 of unrealized foreign exchange loss for the nine months ended June 30, 2025).

	Nine months ended	
	June 30, 2026	**June 30, 2025**
	$	**$**
Changes in non-cash operating working capital items		
Accounts receivable	**19,261**	20,219
Inventories	**(57,480)**	(15,032)
Other current assets	**(5,602)**	(72)
Finance leases receivable [i)]	**(2,928)**	(3,299)
Accounts payable and accrued liabilities	**44,290**	(4,382)
Customer deposits	**34,148**	(18,174)
	31,689	(20,740)
Investments		
Investment in equity instruments	**(10,355)**	(36,133)
Proceeds from disposal of investment in equity instruments	**29,195**	-
Investment in joint venture	**(76)**	(22)
Proceeds from disposal of investment in joint venture	**75**	-
	18,839	(36,155)

[i)] Includes current and non-current portion of finance leases receivable.

14.1 Additional cash flow information

Deposits on purchases of PP&E of $2,756 were recorded in other current assets as at June 30, 2026 ($196 as at June 30, 2025).

Purchases of PP&E of $3,053 were unpaid and recorded as accounts payable and accrued liabilities as at June 30, 2026 ($3,110 as at June 30, 2025).

Investment and innovation tax credits of $3,834 were recorded in accounts receivable as at June 30, 2026 ($2,734 as at June 30, 2025).

Leases, for which an amount of $26,203 was recognized in right-of-use assets and in lease liabilities during the nine months ended June 30, 2026 ($13,307 in right-of-use assets and $13,273 in lease liabilities during the nine months ended June 30, 2025), had no cash impact on investing and financing activities at initial recognition.

15. SEGMENTED INFORMATION

15.1 Reportable segments

TerraVest determines its reportable segments based on the structure of its operations, which as at June 30, 2026 is divided into four operating business units: HVAC and Containment Equipment, Compressed Gas Equipment, Processing Equipment and Service. Corporate is not a segment, it is disclosed for reconciliation purposes and includes primarily long-term debt and interest expense, derivative financial instruments except for commodity swap contracts, income tax assets, liabilities and expenses, intersegment eliminations and other corporate related items or expenses which are not reviewed by segment by the Chief Executive Officer and the Board of Directors to make decisions about resources to be allocated to the segment and assess its performance. Consequently, for each of the operating segments below, net income (loss) excludes items previously listed and is the measure used by the Chief Executive Officer and the Board of Directors to review performance and allocate capital.

The following tables also provide information on disaggregated revenue as part of its segmented information disclosure.

						Third quarter ended June 30, 2026
	HVAC and Containment Equipment	**Compressed Gas Equipment**	**Processing Equipment**	**Service**	**Corporate**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Sales – external	**181,724**	**190,506**	**19,474**	**68,971**	**219**	**460,894**
Sales – intersegment	**710**	**8,326**	**7,450**	**-**	**(16,486)**	**-**
Depreciation and amortization	**11,762**	**19,553**	**894**	**7,824**	**-**	**40,033**
Financing costs	**1,918**	**2,343**	**170**	**187**	**12,730**	**17,348**
Income tax expense	**-**	**-**	**-**	**-**	**3,723**	**3,723**
Net income (loss)	**37,271**	**(4,461)**	**1,944**	**10,319**	**(9,469)**	**35,604**
Purchase of PP&E	**4,365**	**12,140**	**21**	**7,414**	**(79)**	**23,861**
Proceeds from disposal of PP&E	**(109)**	**(2,377)**	**-**	**(398)**	**-**	**(2,884)**

						Nine months ended June 30, 2026
	HVAC and Containment Equipment	**Compressed Gas Equipment**	**Processing Equipment**	**Service**	**Corporate**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Sales – external	**460,935**	**592,583**	**58,734**	**198,664**	**893**	**1,311,809**
Sales – intersegment	**2,051**	**13,996**	**13,184**	**-**	**(29,231)**	**-**
Depreciation and amortization	**30,141**	**63,545**	**2,712**	**20,852**	**56**	**117,306**
Financing costs	**4,695**	**7,018**	**524**	**537**	**36,756**	**49,530**
Income tax expense	**-**	**-**	**-**	**-**	**23,474**	**23,474**
Net income (loss)	**84,076**	**(10,298)**	**4,478**	**30,970**	**(25,667)**	**83,559**
Goodwill	**101,526**	**387,009**	**1,941**	**12,174**	**-**	**502,650**
Intangible assets	**91,821**	**304,043**	**677**	**4,155**	**696**	**401,392**
Segment assets	**591,362**	**1,379,754**	**82,658**	**254,497**	**52,725**	**2,360,996**
Segment liabilities	**261,802**	**298,283**	**41,228**	**43,990**	**894,891**	**1,540,194**
Purchase of PP&E	**10,759**	**39,361**	**891**	**18,302**	**(696)**	**68,617**
Proceeds from disposal of PP&E	**(259)**	**(7,216)**	**(43)**	**(2,497)**	**380**	**(9,635)**

						Third quarter ended June 30, 2025
	HVAC and Containment Equipment	**Compressed Gas Equipment**	**Processing Equipment**	**Service**	**Corporate**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Sales – external	99,250	224,874	26,296	54,976	311	405,707
Sales – intersegment	388	91	315	-	(794)	-
Depreciation and amortization	4,504	26,083	982	6,867	13	38,449
Financing costs	930	2,027	186	180	15,482	18,805
Income tax expense	-	-	-	-	1,106	1,106
Net income (loss)	16,037	1,926	2,899	7,712	(15,268)	13,306
Purchase of PP&E	3,002	3,573	36	5,699	7	12,317
Proceeds from disposal of PP&E	(15)	(746)	(7)	(776)	-	(1,544)

	Nine months ended June 30, 2025					
	HVAC and Containment Equipment	Compressed Gas Equipment	Processing Equipment	Service	Corporate	Total
	$	$	$	$	$	$
Sales – external	297,528	403,570	74,497	175,439	708	951,742
Sales – intersegment	1,108	1,901	3,131	-	(6,140)	-
Depreciation and amortization	13,840	37,691	2,978	17,438	39	71,986
Financing costs	2,340	3,312	566	507	26,409	33,134
Income tax expense	-	-	-	-	17,545	17,545
Net income (loss)	57,805	15,673	9,107	29,605	(35,104)	77,086
Goodwill	78,182	540,842	1,941	9,356	-	630,321
Intangible assets	33,256	214,872	1,137	4,691	574	254,530
Segment assets	382,236	1,351,672	80,422	189,029	91,744	2,095,103
Segment liabilities	147,983	272,646	41,748	31,625	863,084	1,357,086
Purchase of PP&E	8,071	17,309	251	20,356	7	45,994
Proceeds from disposal of PP&E	(62)	(7,165)	(441)	(1,744)	-	(9,412)

15.2 Geographical information

TerraVest generates revenue mainly from two segmental regions. The concentration of TerraVest's revenue is derived from Canadian and U.S. sales.

	Third quarters ended		Nine months ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
	$	$	$	$
SALES				
Canada	**151,864**	131,283	**423,834**	391,692
United States	**304,442**	267,880	**869,922**	550,222
Other	**4,588**	6,544	**18,053**	9,828
	460,894	405,707	**1,311,809**	951,742

Certain non-current assets and goodwill by geographic segment:

			As at June 30, 2026
	Canada	**United States**	**Total**
	$	**$**	**$**
Property, plant and equipment	**243,576**	**152,624**	**396,200**
Right-of-use assets	**93,451**	**186,013**	**279,464**
Intangible assets	**20,138**	**381,254**	**401,392**
Goodwill	**32,604**	**470,046**	**502,650**
	389,769	**1,189,937**	**1,579,706**

			As at September 30, 2025
	Canada	**United States**	**Total**
	$	**$**	**$**
Property, plant and equipment	207,187	95,643	302,830
Right-of-use assets	71,473	151,552	223,025
Intangible assets	24,218	365,839	390,057
Goodwill	27,905	433,185	461,090
	330,783	1,046,219	1,377,002

16. SUBSEQUENT EVENT

In July 2026, TerraVest entered into an agreement to purchase all the issued and outstanding shares of Superior Pressure Vessels Inc. ("SPV"). SPV is a Canada-based manufacturer of storage tanks and transport trailers for liquid propane gas ("LPG") and anhydrous ammonia ("NH3"), sold to propane and fertilizer distributors, and also provides truck and trailer service, repair and inspection. The total consideration for the transaction was $23,375 paid using the revolving operating credit facility.