



News Release

Foremost Income Fund...for Immediate Release

Foremost Income Fund Reports 2024 Annual Results

March 13th, 2025 – Calgary, Alberta – Foremost Income Fund ("Foremost" or the "Fund") announces its financial results for the year ended December 31, 2024.

Overview

The Fund is an unincorporated open-end mutual fund trust conducting its business through three operating segments: Foremost Energy Equipment (FEE), Foremost Mobile Equipment (FME), and Corporate. FEE, with its focus on the oil and gas industry in Western Canada, consists of three active manufacturing and service locations across Alberta. The locations manufacture oil-treating systems, shop tanks, field tanks, agriculture equipment, oil and gas process-treating equipment, and gas separators. FME manufactures and services hydrovac and vacuum trucks and equipment; off-highway, large-wheeled and tracked vehicles; and equipment for the custom drilling, construction, water well, and mining sectors. FME focuses on custom-built vehicles for its global clientele whom it serves through two manufacturing and service locations across Alberta.

Message to Unitholders

Summary of 2024

The Fund closed 2024 with revenue of \$220.5 million - a \$32.5 million (17%) increase over the previous year. Both FME and FEE saw revenue growth during the year. The Fund's gross margin improved to 21% compared to 17% in the previous year, and product margins strengthened in both FEE and FME. Earnings before income tax, depreciation, and amortization (EBITDA) for the year were \$35.9 million, which included \$4.5 million in insurance proceeds from claims related to incidents in 2022 and 2024, and a legal recovery of \$1.6 million.

When normalized for non-operating items, adjusted EBITDA increased to \$30.1 million, a substantial increase of \$10.7 million (55%) over the \$19.4 million result in 2023.

Foremost Mobile Equipment

Revenue: \$153.6 million in 2024, a 9% increase from \$141.0 million in 2023.

Gross Margin: \$34.4 million, representing 22% of revenue, up from \$27.4 million (19% of revenue) in 2023.

FME increased revenue in the hydrovacs product category and established new annual records for revenue and EBITDA since the inception of this business division in 2015. This robust financial performance has been driven by healthy sales backlogs at the FME plants in Calgary and Stettler. Activity in the infrastructure, industrial, and mining sectors remains strong across North and South America and Foremost's product market share in these sectors is stable.

Notably, in 2024, the Stettler plant set a new Foremost record for annual hydrovac production by producing 241 trucks destined for customers in Canada and the United States.

Foremost Energy Equipment

Revenue: \$67.4 million in 2024, a 42% increase from \$47.4 million in 2023.

Gross Margin: Improved to \$12.0 million, representing 18% of revenue, up from \$4.6 million (10% of revenue) in 2023.

FEE recorded strong yearly revenue and margin growth in both plants as demand for a significant number of its product lines increased over previous years. This growth was supported by strong energy infrastructure construction activity in the Peace River region (Montney formation), which is driving orders for production and process tanks in the Hythe plant. Additionally, the Lloydminster plant is generating higher revenues than in past years due to increased pressure vessel and shop tank orders coupled with higher production throughput. Backlogs in this business unit are healthy as it enters 2025, supported by continued drilling and energy infrastructure builds in Western Canada.



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Summary of Key Fund Metrics for 2024 compared to 2023

- **Revenue** Increased to \$220.5 million, a 17% increase from \$188.0 million in 2023.
- **Gross Margin:** \$46.4 million, representing 21% of revenue, compared to \$32 million (17% of revenue) in 2023.
- **SG&A Expenses:** Accounted for 9% of revenue, at \$20.3 million compared to 9% and \$17.4 million in 2023.
- **EBITDA:** Increased to \$35.9 million, representing 16% of revenue, compared to \$19.5 million (10% of revenue) in 2023.
- **Adjusted EBITDA** (refer to page 21 of the MD&A): After removing non-operating items, increased from \$19.4 million in 2023 to \$30.1 million in 2024, a 55% increase.

2025 Outlook

Most of the factors that caused instability in business operations over the past few years—such as supply chain disruptions and input cost uncertainties—have now stabilized. However, significant new challenges in the key U.S. market, including trade re-negotiations and uncertainties regarding export tariffs, have emerged and are being closely monitored. Management is focused on adjusting to evolving market conditions to maintain and enhance the Fund's balance sheet and to improve revenue and profit performance.

2024 VS 2023 Highlights

- Revenue for 2024 was \$220.5 million, compared to \$188.0 million for the same period in the previous year. More information is in the Segmented Results of Operations section of the MD&A.
- Gross profit for 2024 was \$46.4 million and 21% of revenue, compared to \$32.0 million and 17% of revenue in 2023. More information is in the Segmented Results of Operations section of the MD&A.
- Administration costs represented 9% of revenue in both 2024 and 2023. These costs were \$20.3 million in 2024, up from \$17.4 million incurred in the previous year. Most of this increase was due to personnel spending, consultant costs, professional services, travel costs, and hardware upgrades.
- Adjusted EBITDA (defined on page 21 of the MD&A) was \$30.1 million for 2024 compared to \$19.4 million in 2023. Note that one-time items have been removed for purposes of Adjusted EBITDA.
- As of March 13th, 2025, the stated redemption price increased to \$7.80 per trust unit.

FORWARD-LOOKING STATEMENT

Certain statements in this news release may constitute "forward-looking" statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Fund to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this news release, such statements use words such as "may", "will", "expect", "believe", "plan" and other similar terminology. These statements reflect management's current expectations regarding future events and operating performance and speak only as of the date of this news release. These forward-looking statements involve a number of risks and uncertainties, including: the impact of general economic conditions, industry conditions, changes in laws and regulations, increased competition, fluctuations in commodity prices and foreign exchange, and interest rates and stock market volatility.

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