



News Release

Foremost Income Fund...for Immediate Release

Foremost Income Fund Reports Q3 2025 Results

November 6, 2025 – Calgary, Alberta – Foremost Income Fund ("Foremost" or the "Fund") announces its financial results for the period ended September 30, 2025.

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 Q3 2025

Foremost Income Fund delivered another strong quarter in Q3 2025, marking steady progress across both divisions and maintaining the disciplined operational focus that continues to define our performance.

For the quarter, the Fund generated revenue of \$70.3 million—up 17% from Q2 2025. Gross margin remained stable at 24% (compared to Q2 2025), and EBITDA increased to \$13.6 million (up from \$11.4 million in Q2 2025). These results reflect ongoing strength in the Foremost Mobile Equipment (FME) division and continued stability in Foremost Energy Equipment (FEE), supported by healthy backlogs and disciplined cost management.

Foremost's financial position remains a key strength. The Fund closed the quarter with no long-term debt, a cash balance of \$50.7 million, and working capital of \$114.8 million. These indicators underscore the Fund's ability to pursue strategic opportunities while maintaining resilience in a volatile market environment.

Foremost Mobile Equipment

Revenue: \$48.9 million in Q3 2025, a 24% increase from \$39.5 million in Q2 2025.

Gross Margin: \$13.1 million, representing 27% of revenue, up from \$10.6 million (27% of revenue) in the previous quarter.

Demand for hydrovacs and drills remained strong throughout the quarter. Improved production throughput, favourable exchange rates, and a balanced mix of domestic and export sales contributed to improved profitability. While trade pressures linked to a deteriorating U.S.–Canada relationship continue to create uncertainty, no material financial impacts were recorded in the quarter. FME margins held steady at 27% as pricing remained firm across key markets in North and South America.

Foremost Energy Equipment

Revenue: \$21.5 million in the third quarter of 2025, a 3% increase from \$20.8 million in the second quarter of 2025.

Gross Margin: \$3.9 million, representing 18% of revenue, remaining consistent (19% of revenue) with the previous quarter.

Foremost Energy Equipment (FEE) continued to deliver solid results with steady shop and vessel production. While specific product lines faced softer demand, notably in agriculture and field tanks, overall performance remained robust, supported by multi-year contracts and stable energy activity in Western Canada.



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Summary of Key Fund Metrics for Q3 2025 Compared to Q2 2025

- **Revenue:** \$70.3 million, which is an increase over the \$60.2 million of revenue in Q2 2025.
- **Gross Margin:** \$17.0 million, representing 24% of revenue, compared to \$14.5 million (24% of revenue) in the previous quarter.
- **SG&A Expenses:** Accounted for 7% of revenue, at \$5.2 million compared to 8% and \$4.8 million in Q2 2025.
- **EBITDA:** \$13.6 million, representing 19% of revenue, compared to \$11.4 million (19% of revenue) in the previous quarter.
- **Adjusted EBITDA:** (refer to page 21): After removing non-operating items, increased from \$11.2 million in Q2 2025 to \$13.1 million in Q3 2025.

2025 Outlook

Significant new challenges in the key U.S. market, including trade re-negotiations and uncertainties regarding export tariffs, have emerged in 2025 and are being closely monitored for their potential impact on Foremost's outlook. 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.

Kevin Johnson

President, Foremost Income Fund

Q3 2025 VS Q3 2024 Highlights

- Revenue for the third quarter of 2025 was \$70.3 million, compared to \$59.1 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 Q3 2025 was \$17.0 million and 24% of revenue, compared to \$12.9 million and 22% of revenue in Q3 2024. More information is in the Segmented Results of Operations section of the MD&A.
- Administrative expenses accounted for 7% of revenue in Q3 2025, down from 8% in Q3 2024. In absolute terms, these costs increased \$0.4 million from the previous year. The increase was primarily driven by stock option costs, IT-related spending and personnel expenses.
- Adjusted EBITDA (defined on page 21 of the MD&A) was \$13.1 million for 2025 compared to \$9.4 million in 2024. Note that one-time non-operating items have been removed for purposes of adjusted EBITDA.
- As of November 6, 2025, the stated redemption price increased to \$9.70 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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