

TOROMONT INDUSTRIES LTD.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited)

(\$ thousands)	Note	March 31 2025	December 31 2024	March 31 2024
Assets				
Current assets				
Cash and cash equivalents		\$ 977,461	\$ 890,815	\$ 983,355
Accounts receivable		617,869	628,671	536,739
Inventories		1,392,626	1,321,567	1,257,356
Income taxes recoverable		29,270	8,267	22,708
Derivative financial instruments	7	6,766	19,352	2,880
Other current assets		19,410	22,074	18,658
Total current assets		3,043,402	2,890,746	2,821,696
Property, plant and equipment	4	631,199	624,552	558,811
Rental equipment	4	797,655	783,080	710,589
Other assets		111,532	99,787	93,933
Deferred tax assets		1,208	1,203	1,379
Goodwill and intangible assets	3	591,550	469,124	469,468
Total assets		\$ 5,176,546	\$ 4,868,492	\$ 4,655,876
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	10	\$ 602,779	\$ 707,034	\$ 695,966
Provisions		30,271	30,675	29,823
Deferred revenue and contract liabilities		352,689	331,946	337,881
Current portion of long-term debt	5, 7	149,941	149,910	—
Income taxes payable		990	—	2,446
Total current liabilities		1,136,670	1,219,565	1,066,116
Deferred revenue and contract liabilities		23,908	23,585	21,588
Long-term lease liabilities		46,435	32,487	27,239
Long-term debt	5, 7	795,683	498,518	647,964
Post-employment obligations		30,138	28,774	28,060
Other long-term liabilities	3	35,692	—	—
Deferred tax liabilities		135,459	110,170	110,140
Total liabilities		2,203,985	1,913,099	1,901,107
Shareholders' equity				
Share capital	6	613,260	597,976	590,616
Contributed surplus		35,887	34,293	30,601
Retained earnings		2,315,170	2,309,784	2,129,546
Accumulated other comprehensive income		8,244	13,340	4,006
Total shareholders' equity		2,972,561	2,955,393	2,754,769
Total liabilities and shareholders' equity		\$ 5,176,546	\$ 4,868,492	\$ 4,655,876

See accompanying notes

TOROMONT INDUSTRIES LTD.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

(\$ thousands, except share amounts)	Note	Three months ended March 31	
		2025	2024
Revenue	13	\$ 1,089,622	\$ 1,016,349
Cost of goods sold	4	846,047	766,175
Gross profit		243,575	250,174
Selling and administrative expenses		145,090	143,589
Operating income		98,485	106,585
Interest expense	8	7,446	6,994
Interest and investment income	8	(11,179)	(15,687)
Income before income taxes		102,218	115,278
Income taxes		27,782	31,359
Net earnings		\$ 74,436	\$ 83,919
Earnings per share			
Basic	9	\$ 0.92	\$ 1.02
Diluted	9	\$ 0.91	\$ 1.01
Weighted average number of shares outstanding			
Basic	9	81,311,867	82,309,309
Diluted	9	81,852,574	82,975,125

See accompanying notes

TOROMONT INDUSTRIES LTD.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

(\$ thousands)	Three months ended March 31	
	2025	2024
Net earnings	\$ 74,436	\$ 83,919
Other comprehensive (loss) income, net of income taxes:		
<i>Items that may be reclassified subsequently to net earnings:</i>		
Foreign currency translation adjustments	(32)	618
Unrealized (losses) gains on derivatives designated as cash flow hedges	(1,327)	13,774
Income tax recovery (expense)	345	(3,581)
Unrealized (losses) gains on cash flow hedges, net of income taxes	(982)	10,193
Realized gains on derivatives designated as cash flow hedges	(5,516)	(805)
Income tax expense	1,434	209
Realized gains on cash flow hedges, net of income taxes	(4,082)	(596)
<i>Items that will not be reclassified subsequently to net earnings:</i>		
Remeasurement (loss) gain on defined benefit plans	(4,200)	23,395
Income tax recovery (expense)	1,113	(6,199)
Remeasurement (loss) gain on defined benefit plans, net of income taxes	(3,087)	17,196
Other comprehensive (loss) income	(8,183)	27,411
Total comprehensive income	\$ 66,253	\$ 111,330

See accompanying notes

TOROMONT INDUSTRIES LTD.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)

(\$ thousands, except share amounts)	Share capital			Accumulated other comprehensive income (loss)				Total shareholders' equity
	Number	Amount	Contributed surplus	Retained earnings	Foreign currency translation adjustments	Cash flow hedges	Total	
At January 1, 2025	81,300,574	\$ 597,976	\$ 34,293	\$ 2,309,784	\$ 4,988	\$ 8,352	\$ 13,340	\$ 2,955,393
Net earnings	—	—	—	74,436	—	—	—	74,436
Other comprehensive loss	—	—	—	(3,087)	(32)	(5,064)	(5,096)	(8,183)
Total comprehensive income (loss)	—	—	—	71,349	(32)	(5,064)	(5,096)	66,253
Exercise of share options	45,366	3,107	(498)	—	—	—	—	2,609
Share-based compensation plans	—	—	4,597	—	—	—	—	4,597
Settlement of RSUs and PSUs	11,280	915	(2,505)	—	—	—	—	(1,590)
Effect of share compensation plans	56,646	4,022	1,594	—	—	—	—	5,616
Business acquisition	110,447	12,800	—	—	—	—	—	12,800
Shares purchased for cancellation	(204,900)	(1,538)	—	(23,710)	—	—	—	(25,248)
Dividends declared	—	—	—	(42,253)	—	—	—	(42,253)
At March 31, 2025	81,262,767	\$ 613,260	\$ 35,887	\$ 2,315,170	\$ 4,956	\$ 3,288	\$ 8,244	\$ 2,972,561
At January 1, 2024	82,297,341	\$ 582,801	\$ 27,346	\$ 2,079,914	\$ 2,409	\$ (8,618)	\$ (6,209)	\$ 2,683,852
Net earnings	—	—	—	83,919	—	—	—	83,919
Other comprehensive income	—	—	—	17,196	618	9,597	10,215	27,411
Total comprehensive income	—	—	—	101,115	618	9,597	10,215	111,330
Exercise of share options	111,645	8,414	(1,282)	—	—	—	—	7,132
Share-based compensation plans	—	—	4,537	—	—	—	—	4,537
Effect of share compensation plans	111,645	8,414	3,255	—	—	—	—	11,669
Shares purchased for cancellation	(195,700)	(599)	—	(11,940)	—	—	—	(12,539)
Dividends declared	—	—	—	(39,543)	—	—	—	(39,543)
At March 31, 2024	82,213,286	\$ 590,616	\$ 30,601	\$ 2,129,546	\$ 3,027	\$ 979	\$ 4,006	\$ 2,754,769

See accompanying notes

TOROMONT INDUSTRIES LTD.
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(\$ thousands)	Note	Three months ended March 31	
		2025	2024
Operating activities			
Income from operations		\$ 74,436	\$ 83,919
Items not requiring cash:			
Depreciation and amortization		63,279	47,811
Share-based compensation		2,971	2,735
Post-employment obligations		1,225	(1,200)
Deferred income taxes		(4,041)	2,675
Gain on sale of rental equipment and property, plant and equipment		(5,315)	(8,222)
		132,555	127,718
Net change in non-cash working capital and other	12	(169,606)	(45,486)
Additions to rental equipment	4	(59,963)	(69,845)
Proceeds on disposal of rental equipment		13,933	18,406
Cash (used in) provided by operating activities		(83,081)	30,793
Investing activities			
Additions to property, plant and equipment	4	(17,256)	(32,941)
Proceeds on disposal of property, plant and equipment		1,544	239
Business acquisition, net of cash acquired	3	(45,450)	—
Increase in other assets		(27)	(33)
Cash used in investing activities		(61,189)	(32,735)
Financing activities			
Issue of long-term senior debentures	5	300,000	—
Financing fees		(2,996)	—
Dividends paid	6	(39,127)	(35,383)
Net cash received on long-term incentive plan exercise/settlements		1,019	7,132
Shares purchased for cancellation	6	(25,248)	(24,991)
Payment of lease liabilities		(2,708)	(2,523)
Cash provided by (used in) financing activities		230,940	(55,765)
Effect of currency translation on cash balances		(24)	305
Increase (decrease) in cash and cash equivalents during the period		86,646	(57,402)
Cash and cash equivalents, at beginning of the period		890,815	1,040,757
Cash and cash equivalents, at end of the period		\$ 977,461	\$ 983,355

Supplemental cash flow information (note 12)

See accompanying notes

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2025

(\$ thousands, except where otherwise indicated) (Unaudited)

1. DESCRIPTION OF BUSINESS

Corporate Information

Toromont Industries Ltd. (the "Company" or "Toromont") is a limited company incorporated and domiciled in Canada whose shares are publicly traded on the Toronto Stock Exchange ("TSX") under the symbol TIH. The registered office is located at 3131 Highway 7 West, Concord, Ontario, Canada.

The Company operates through two business segments: the Equipment Group and CIMCO. The Equipment Group includes one of the larger Caterpillar dealerships by revenue and geographic territory, spanning the Canadian provinces of Newfoundland and Labrador, Nova Scotia, New Brunswick, Prince Edward Island, Québec, Ontario and Manitoba, in addition to most of the territory of Nunavut. The Equipment Group includes industry-leading rental operations and a complementary material handling business. CIMCO is one of North America's leading suppliers of thermal management solutions that enable customers to reduce energy consumption and emissions, use natural refrigerants, and monitor and control their operating environments autonomously. Both segments offer comprehensive product support capabilities.

2. MATERIAL ACCOUNTING POLICIES

Basis of Preparation

a) Statement of Compliance

These interim condensed consolidated financial statements were prepared in accordance with International Accounting Standard ("IAS") 34 – *Interim Financial Reporting*. Accordingly, these interim condensed consolidated financial statements do not include all disclosures required for annual financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Company as at and for the year ended December 31, 2024.

These interim condensed consolidated financial statements were authorized for issue by the Board of Directors on April 30, 2025.

b) Basis of Presentation

These interim condensed consolidated financial statements were prepared on a historical cost basis, except for derivative instruments that have been measured at fair value. These interim condensed consolidated financial statements are presented in Canadian dollars, which is Toromont's functional currency, and all values are rounded to the nearest thousands, except where otherwise indicated.

Certain comparative figures have been reclassified to conform to the current period's presentation.

c) Material Accounting Policies

The material accounting policies used in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's audited annual consolidated financial statements as at and for the year ended December 31, 2024.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2025

(\$ thousands, except where otherwise indicated) (Unaudited)

Several amendments apply for the first time in 2025, but do not have an impact on the interim condensed consolidated financial statements of the Company. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

d) Use of Significant Accounting Estimates and Judgements

The preparation of interim condensed consolidated financial statements in conformity with International Financial Reporting Standards ("IFRS") requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of revenue, expenses, assets, liabilities and accompanying disclosures. Significant estimates and judgements used in the preparation of these interim condensed consolidated financial statements are described in the Company's audited annual consolidated financial statements as at and for the year ended December 31, 2024. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

3. BUSINESS COMBINATIONS

AVL Manufacturing Inc. ("AVL")

On January 31, 2025, the Company acquired 60% of the shares of AVL for consideration of \$67.5 million cash plus the issuance of 110.4 thousand Toromont shares. In addition, the Company has committed to purchase the remaining 40% at various dates through to 2031. The initial purchase price was funded with cash on hand. AVL is a leader in the design and fabrication of power generation and storage enclosures. AVL has operations in Hamilton, Ontario and currently serves the data centre market across eastern North America. The Company has not yet finalized its determination of fair value of the assets acquired and liabilities assumed. The acquisition, while accretive, is not expected to have an overall material impact on Toromont's combined revenue, earnings or statement of financial position in the near-term.

The acquisition is accounted for as a business combination with Toromont as the acquirer of AVL. The acquisition has been accounted for using the purchase method of accounting. Results from AVL have been included in the interim condensed consolidated statements of income and interim condensed consolidated statements of comprehensive income since the date of acquisition and is included in the Equipment Group.

The following table summarizes the fair value of consideration paid on the acquisition date.

Purchase price

Cash consideration	\$	67,500
Issue of Toromont common shares		12,800
Future purchase commitment consideration		34,509
Total	\$	114,809

The purchase price allocation is preliminary and subject to adjustment on completion of the valuation process. The Company determined the preliminary fair values based on market information, independent valuations and management's estimates.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**As at and for the three months ended March 31, 2025**

(\$ thousands, except where otherwise indicated) (Unaudited)

Cash	\$	24,050
Accounts receivable		30,921
Inventory		5,159
Other current assets		840
Property, plant and equipment		6,468
Right-of-use asset		17,324
Intangibles		118,694
Accounts payable and accrued liabilities		(14,451)
Deferred revenue		(35,925)
Right-of-use liability		(17,382)
Other long-term liabilities		(310)
Deferred income taxes		(32,217)
Net identifiable assets		103,171
Residual purchase price allocated to goodwill		11,639
Total	\$	114,810

Accounts receivable represent gross contractual amounts receivable and reflect the best estimate at the acquisition date of the contractual cash flows expected to be collected.

Goodwill is attributed to the existing AVL business, the assembled workforce and the combined strategic value to the Company's growth plan. The amount assigned to goodwill is not expected to be deductible for tax purposes.

Acquisition-related costs were expensed as incurred and are included in selling and administrative expenses.

The revenue and net income for the two-month period ended March 31, 2025 were not significant.

Tri-City Equipment Rentals ("Tri-City")

On September 9, 2024, the Company acquired the rental business and net operating assets of Tri-City, an industry leader in heavy equipment rentals with operations in Southwestern Ontario. The acquisition expands Toromont Cat's heavy rents business to better serve the Company's customer base.

The Company acquired the business and net operating assets of Tri-City in exchange for cash consideration of \$77.6 million, with \$73.6 million paid on closing in 2024, \$2.0 million paid in Q1 2025, and the remainder to be paid in Q3 2025. Toromont funded the transaction with cash on hand.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2025

(\$ thousands, except where otherwise indicated) (Unaudited)

4. PROPERTY, PLANT AND EQUIPMENT AND RENTAL EQUIPMENT

	Property, plant and equipment					Rental equipment
	Land	Buildings	Equipment	Power generation	Total	
Cost						
January 1, 2025	\$ 196,768	\$ 426,138	\$ 420,737	\$ 40,460	\$ 1,084,103	\$ 1,423,468
Additions	3,380	6,635	7,241	—	17,256	59,963
Business combination	—	2,700	3,768	—	6,468	—
Disposals	(901)	(937)	(3,006)	—	(4,844)	(24,763)
Foreign currency translation adjustments	—	(4)	(10)	—	(14)	—
March 31, 2025	\$ 199,247	\$ 434,532	\$ 428,730	\$ 40,460	\$ 1,102,969	\$ 1,458,668
Accumulated depreciation						
January 1, 2025	\$ —	\$ 164,010	\$ 256,096	\$ 39,445	\$ 459,551	\$ 640,388
Depreciation expense	—	4,549	10,896	75	15,520	36,777
Depreciation of disposals	—	(611)	(2,683)	—	(3,294)	(16,152)
Foreign currency translation adjustments	—	(1)	(6)	—	(7)	—
March 31, 2025	\$ —	\$ 167,947	\$ 264,303	\$ 39,520	\$ 471,770	\$ 661,013
Net book value – March 31, 2025	\$ 199,247	\$ 266,585	\$ 164,427	\$ 940	\$ 631,199	\$ 797,655

	Property, plant and equipment					Rental equipment
	Land	Buildings	Equipment	Power generation	Total	
Cost						
January 1, 2024	\$ 182,938	\$ 370,334	\$ 361,697	\$ 40,138	\$ 955,107	\$ 1,263,079
Additions	4,249	11,143	17,549	—	32,941	69,845
Disposals	—	—	(2,857)	—	(2,857)	(39,834)
Foreign currency translation adjustments	4	81	216	—	301	—
March 31, 2024	\$ 187,191	\$ 381,558	\$ 376,605	\$ 40,138	\$ 985,492	\$ 1,293,090
Accumulated depreciation						
January 1, 2024	\$ —	\$ 148,538	\$ 229,309	\$ 38,341	\$ 416,188	\$ 580,710
Depreciation expense	—	3,723	9,160	275	13,158	31,223
Depreciation of disposals	—	—	(2,835)	—	(2,835)	(29,432)
Foreign currency translation adjustments	—	19	151	—	170	—
March 31, 2024	\$ —	\$ 152,280	\$ 235,785	\$ 38,616	\$ 426,681	\$ 582,501
Net book value – March 31, 2024	\$ 187,191	\$ 229,278	\$ 140,820	\$ 1,522	\$ 558,811	\$ 710,589

During the three months ended March 31, 2025, depreciation expense of \$46.7 million was charged to cost of goods sold (2024 –\$39.8 million), and \$5.6 million was charged to selling and administrative expenses (2024 –\$4.6 million).

As at March 31, 2025, the balance of assets under construction and not subject to depreciation was \$13.9 million (2024 –\$44.4 million).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2025

(\$ thousands, except where otherwise indicated) (Unaudited)

5. LONG-TERM DEBT

	March 31 2025	December 31 2024	March 31 2024
Senior debentures			
3.71%, \$150.0 million, due September 30, 2025 ⁽¹⁾	\$ 150,000	\$ 150,000	\$ 150,000
3.84%, \$500.0 million, due October 27, 2027 ⁽¹⁾	500,000	500,000	500,000
3.76%, \$300.0 million, due October 27, 2030 ⁽¹⁾	300,000	—	—
	950,000	650,000	650,000
Debt issuance costs, net of amortization	(4,376)	(1,572)	(2,036)
Total long-term debt	\$ 945,624	\$ 648,428	\$ 647,964
Less: current portion of long-term debt	(149,941)	(149,910)	—
Non-current portion of long-term debt	\$ 795,683	\$ 498,518	\$ 647,964

⁽¹⁾ Interest payable semi-annually, principal due on maturity.

Effective March 21, 2025, the Company amended its existing \$500.0 million committed revolving credit facility and extended the term of the agreement to March 2030, with a syndicate of financial institutions. Debt under this facility is unsecured and ranks pari passu with debt outstanding under Toromont's existing debentures. Interest is based on a floating rate, primarily bankers' acceptances and prime, plus applicable margins and fees based on the terms of the credit facility.

No amounts have been drawn on the revolving credit facility as at March 31, 2025, December 31, 2024 and March 31, 2024.

Standby letters of credit issued utilized \$43.7 million of the facility as at March 31, 2025 (December 31, 2024 – \$40.8 million; March 31, 2024 – \$39.1 million).

On March 28, 2025, the Company issued senior unsecured debentures in an aggregate principal amount of \$300.0 million (the "Debentures"). The Debentures mature in 2030 and bear interest at a rate of 3.76% per annum, payable semi-annually. The Debentures are unsecured, unsubordinated and rank pari passu with other unsecured, unsubordinated debt.

6. SHARE CAPITAL

Normal Course Issuer Bid ("NCIB")

The Company's NCIB program was renewed in September 2024. The current issuer bid allows the Company to purchase up to 8.2 million common shares during the 12-month period ending September 20, 2025. All shares purchased under the bid will be cancelled.

The Company purchased and cancelled 204,900 common shares for \$25.2 million (average cost of \$123.22 per share, including transaction costs) during the three months ended March 31, 2025.

The Company maintains an Automatic Share Purchase Plan ("ASPP") with a broker to enable the purchase of common shares under the NCIB during regular trading blackout periods. The volume of the purchases are determined by the broker based on share price and maximum volume parameters established by the Company prior to the commencement of each blackout period.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2025

(\$ thousands, except where otherwise indicated) (Unaudited)

The Company purchased and cancelled 195,700 common shares for \$25.0 million (average cost of \$127.70 per share, including transaction costs) during the three months ended March 31, 2024.

As at March 31, 2025 and 2024 there were no obligations for the repurchase of shares under the ASPP.

Dividends Declared

Dividend	2025				2024			
	Record date	Dividend amount per share	Payment date	Total dividends declared (\$ millions)	Record date	Dividend amount per share	Payment date	Total dividends declared (\$ millions)
Quarter 1	Mar. 7, 2025	\$ 0.52	Apr. 4, 2025	\$ 42.3	Mar. 8, 2024	\$ 0.48	Apr. 4, 2024	\$ 39.5

On April 30, 2025, the Board of Directors declared a quarterly dividend of \$0.52 per common share, payable on July 3, 2025, to shareholders on record on June 6, 2025.

7. FINANCIAL INSTRUMENTS

Financial Assets and Liabilities – Classification and Measurement

The following table highlights the carrying amounts and classifications of certain financial assets and liabilities:

	March 31 2025	December 31 2024	March 31 2024
Other financial liabilities:			
Current portion of long-term debt	\$ 149,941	\$ 149,910	\$ —
Long-term debt	795,683	498,518	647,964
Derivative financial instruments assets (liabilities), net:			
Foreign exchange forward contracts	\$ 6,766	\$ 19,352	\$ 2,880

Fair Value of Financial Instruments

The fair value of derivative financial instruments is measured using the discounted value of the difference between the contract's value at maturity based on the contracted foreign exchange rate and the contract's value at maturity based on the comparable foreign exchange rate as at year-end under the same conditions. The financial institution's credit risk is also taken into consideration in determining fair value. The valuation is determined using Level 2 inputs, which are observable inputs or inputs that can be corroborated by observable market data for substantially the full term of the asset or liability, most significantly foreign exchange spot and forward rates.

The fair value and carrying value of total long-term debt were as follows:

	March 31 2025	December 31 2024	March 31 2024
Total long-term debt:			
Fair value	\$ 958,911	\$ 653,673	\$ 633,975
Carrying value	\$ 950,000	\$ 650,000	\$ 650,000

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2025

(\$ thousands, except where otherwise indicated) (Unaudited)

The fair value was determined using the discounted cash flow method, a generally accepted valuation technique. The discounted factor is based on market rates for debt with similar terms and remaining maturities, and based on Toromont's credit risk. The Company has no plans to prepay these instruments prior to maturity.

During the three months ended March 31, 2025 and 2024, there were no transfers between Level 1 and Level 2 fair value measurements.

Derivative Financial Instruments and Hedge Accounting

Foreign exchange contracts and options are transacted with financial institutions to hedge foreign-currency-denominated obligations related to purchases of inventory and sales of products. As at March 31, 2025, the Company was committed to: (i) US dollar purchase contracts with a notional amount of \$402.0 million at an average exchange rate of \$1.4121, maturing between April 2025 and March 2026; and (ii) US dollar sale contracts with a notional amount of \$37.5 million at an average exchange rate of \$1.4131, maturing between April 2025 and March 2026.

Management estimates that a gain of \$6.8 million (December 31, 2024 – gain of \$19.4 million; March 31, 2024 – gain of \$2.9 million) would be realized if the contracts were terminated on March 31, 2025. Certain of these forward contracts are designated as cash flow hedges and, accordingly, an unrealized gain of \$4.1 million (December 31, 2024 – unrealized gain of \$10.9 million; March 31, 2024 – unrealized gain of \$1.5 million) has been included in other comprehensive (loss) income. These gains are not expected to affect net earnings as the amounts will be reclassified to net earnings within the next 12 months and will offset losses recorded on the underlying hedged items, namely foreign-currency-denominated accounts payable and accrued liabilities. Certain of these forward contracts are not designated as cash flow hedges but are entered into for periods consistent with foreign currency exposure of the underlying transactions. A gain of \$2.7 million (December 31, 2024 – gain of \$8.5 million; March 31, 2024 – gain of \$1.4 million) on forward contracts not designated as hedges is included in net earnings, which offsets gains recorded on the foreign-currency-denominated items, namely accounts payable and accrued liabilities.

8. INTEREST INCOME AND EXPENSE

The components of interest expense were as follows:

	Three months ended March 31	
	2025	2024
Credit facilities	\$ 564	\$ 395
Senior debentures	6,335	6,219
Interest on lease liabilities	547	380
	\$ 7,446	\$ 6,994

The components of interest and investment income were as follows:

	Three months ended March 31	
	2025	2024
Interest on conversion of rental equipment	\$ 1,579	\$ 687
Interest income	9,600	15,000
	\$ 11,179	\$ 15,687

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2025

(\$ thousands, except where otherwise indicated) (Unaudited)

9. EARNINGS PER SHARE

	Three months ended March 31	
	2025	2024
Net earnings available to common shareholders	\$ 74,436	\$ 83,919
Weighted average common shares outstanding	81,311,867	82,309,309
Effect of dilutive securities	540,707	665,816
Weighted average common shares outstanding – diluted	81,852,574	82,975,125
Earnings per share:		
Basic	\$ 0.92	\$ 1.02
Diluted	\$ 0.91	\$ 1.01

For the three months ended March 31, 2025, 348,508 outstanding share options with an average exercise price of \$123.57 were considered anti-dilutive (exercise price in excess of average market price) and were excluded from the calculation.

For the comparative period in 2024, 158,137 outstanding share options with an average exercise price of \$125.11 were considered anti-dilutive and were excluded from the calculation.

10. SHARE-BASED COMPENSATION

Share Option Plan

A reconciliation of the outstanding options for the three months ended March 31, 2025 and 2024 was as follows:

	2025		2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Options outstanding, January 1	1,458,651	\$ 85.61	1,783,993	\$ 78.50
Granted	192,443	122.02	158,137	125.11
Exercised ⁽¹⁾	(45,366)	57.50	(111,645)	63.88
Forfeited	(5,211)	107.56	(143,724)	92.23
Options outstanding, March 31	1,600,517	\$ 90.71	1,686,761	\$ 82.66
Options exercisable, March 31	931,299	\$ 76.19	898,252	\$ 67.31

⁽¹⁾ The weighted average share price at the date of exercise for the three months ended March 31, 2025 was \$119.36 (2024 – \$124.74).

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2025

(\$ thousands, except where otherwise indicated) (Unaudited)

The following table summarizes share options outstanding and exercisable as at March 31, 2025:

Range of exercise prices	Options outstanding			Options exercisable		
	Number	Weighted average remaining life (years)	Weighted average exercise price	Number	Weighted average exercise price	Weighted average exercise price
\$36.65 – \$39.79	99,700	1.0	\$ 38.88	99,700	\$ 38.88	\$ 38.88
\$53.88 – \$65.72	236,040	3.7	61.74	236,040	61.74	61.74
\$66.22 – \$72.95	404,004	4.8	70.99	323,068	70.50	70.50
\$104.91 – \$125.11	860,773	8.0	113.92	272,491	109.09	109.09
	1,600,517	6.1	\$ 90.71	931,299	\$ 76.19	\$ 76.19

The fair values of the share options granted during 2025 and 2024 were determined at the time of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	2025	2024
Fair value price per option	\$ 24.52	\$ 27.86
Share price	\$ 122.02	\$ 125.11
Expected life of options (years)	5.00	5.00
Expected share price volatility	22.0%	22.0%
Expected dividend yield	1.70%	1.53%
Risk-free interest rate	2.89%	3.70%

Deferred Share Unit ("DSU") Plans

A reconciliation of the cash-settled DSU plan for the three months ended March 31, 2025 and 2024 was as follows:

	2025		2024	
	Number of DSUs	Value	Number of DSUs	Value
Outstanding, January 1	177,706	\$ 20,266	191,320	\$ 22,133
Dividend credits	750	85	715	82
Redemptions	—	—	(16,321)	(2,039)
Fair market value adjustments	—	47	—	2,369
Outstanding, March 31	178,456	\$ 20,398	175,714	\$ 22,545

The liability for cash-settled DSUs is recorded in accounts payable and accrued liabilities.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2025

(\$ thousands, except where otherwise indicated) (Unaudited)

A reconciliation of the outstanding units of the equity-settled DSU plan for the three months ended March 31, 2025 and 2024 was as follows:

	2025	2024
	Number of DSUs	Number of DSUs
Outstanding, January 1	62,674	33,360
Units taken or taken in lieu and dividends	17,759	17,812
Units transferred on settlement of RSUs and PSUs	13,283	—
Outstanding, March 31	93,716	51,172

The cost of the equity-settled DSU plan is recorded in selling and administrative expenses with a credit to contributed surplus.

Long-term Incentive Plan ("LTIP")

A reconciliation of the outstanding units of RSUs and PSUs for the three months ended March 31, 2025 and 2024 was as follows:

	2025		2024	
	RSUs	PSUs	RSUs	PSUs
Units outstanding, January 1	27,544	73,420	14,396	56,784
Granted	9,641	30,429	7,071	28,146
Reinvested dividends	118	310	54	213
LTIP settlement	(7,002)	(21,810)	—	—
Forfeited	(2)	(692)	—	(11,028)
Units outstanding, March 31	30,299	81,657	21,521	74,115

LTIP expense of \$1.4 million (2024 – \$1.1 million) was included in selling and administrative expenses with a credit to contributed surplus.

11. EMPLOYEE FUTURE BENEFITS

Employee future benefits expense includes the following components:

	Three months ended March 31	
	2025	2024
Defined benefit plans	\$ 1,876	\$ 1,881
Defined contribution plans	5,066	4,747
401(k) matched saving plans	116	101
	\$ 7,058	\$ 6,729

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2025

(\$ thousands, except where otherwise indicated) (Unaudited)

12. SUPPLEMENTAL CASH FLOW INFORMATION

	Three months ended March 31	
	2025	2024
Net change in non-cash working capital and other:		
Accounts receivable	\$ 41,723	\$ 90,504
Inventories	(65,900)	(138,285)
Accounts payable and accrued liabilities	(116,437)	51,722
Provisions	(404)	(446)
Deferred revenue and contract liabilities	(14,859)	(23,153)
Income taxes	(23,874)	(27,268)
Derivative financial instruments	5,742	(3,857)
Other	4,403	5,297
	\$ (169,606)	\$ (45,486)
Cash paid during the period for:		
Interest	\$ 2,783	\$ —
Income taxes	\$ 58,355	\$ 55,981
Cash received during the period for:		
Interest	\$ 10,161	\$ 11,257

13. SEGMENTED INFORMATION

The Company has two reportable segments: the Equipment Group and CIMCO as described in note 1, each supported by the corporate office. These segments are strategic business units that offer different products and services, and each is managed separately. The corporate office provides finance, treasury, legal, human resources and other administrative support to the segments and does not meet the definition of a reportable operating segment as defined in IFRS 8 – *Operating Segments*, as it does not earn revenue.

The accounting policies of each of the reportable segments are the same as the material accounting policies described in the most recent annual audited consolidated financial statements.

Segment performance is assessed based on operating income, which is measured differently than income from operations in the interim condensed consolidated financial statements. Corporate overheads are allocated to the segments based on revenue. Income taxes, interest expense, interest and investment income are managed at a consolidated level and are not allocated to the reportable operating segments. Current income taxes, deferred income taxes and certain financial assets and liabilities are not allocated to the segments as they are also managed on a consolidated level.

The aggregation of the operating segments is based on the economic characteristics of the business units. These business units are considered to have similar economic characteristics including nature of products and services, class of customers and markets served and similar distribution models.

No reportable segment is reliant on any single external customer.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the three months ended March 31, 2025

(\$ thousands, except where otherwise indicated) (Unaudited)

The following tables set forth information by segment for the three months ended March 31, 2025 and 2024:

Three months ended March 31	Equipment Group		CIMCO		Consolidated	
	2025	2024	2025	2024	2025	2024
Equipment/package sales	\$ 460,995	\$ 394,213	\$ 42,126	\$ 36,685	\$ 503,121	\$ 430,898
Rentals	106,390	95,854	—	—	106,390	95,854
Product support	423,563	435,303	54,196	51,519	477,759	486,822
Power generation	2,352	2,775	—	—	2,352	2,775
Total revenue	\$ 993,300	\$ 928,145	\$ 96,322	\$ 88,204	\$ 1,089,622	\$ 1,016,349
Operating income	\$ 88,888	\$ 98,756	\$ 9,597	\$ 7,829	\$ 98,485	\$ 106,585
Interest expense					7,446	6,994
Interest and investment income					(11,179)	(15,687)
Income taxes					27,782	31,359
Income from operations					\$ 74,436	\$ 83,919

Operating loss from rental operations for the three months ended March 31, 2025 was \$0.7 million (2024 – operating income \$2.3 million).

14. BUSINESS SEASONALITY

Interim period revenue and earnings historically reflect variability from quarter to quarter due to seasonality.

The Equipment Group has historically had a distinct seasonal trend in activity levels. Lower revenue is recorded during the first quarter due to winter shutdowns in the construction industry. The fourth quarter has typically been the strongest due in part to the timing of customers' capital investment decisions, delivery of equipment from suppliers for customer-specific orders and conversions of equipment on rent with a purchase option. This pattern is impacted by the timing of significant sales to mining and other customers, resulting from the timing of mine site development and access, and construction project schedules. This trend can also be impacted during periods of equipment supply constraints from suppliers.

CIMCO has historically also had a distinct seasonal trend in results, as the timing of construction activity impacts revenue recognition under percentage-of-completion accounting. Revenue is typically lower during the first quarter as winter weather slows down construction schedules. Revenue increases in subsequent quarters as construction schedules ramp up. This trend can be impacted by governmental funding initiatives, supply constraints and the customer's timing of significant industrial projects. Sequential comparisons are also impacted by CIMCO's relatively high fixed-cost structure.

Historically, inventories have increased through the year to meet the expected demand for higher deliveries in the third and fourth quarter. This trend can be impacted by equipment and parts availability. These seasonal sales trends also typically lead to accounts receivable to be at their highest level at year-end.

Market and economic factors, local and global economic factors, and supply chain issues have affected and may continue to impact these trends. There can be no certainty that this historical seasonal pattern will recur in the future.