

CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED

SEPTEMBER 30, 2026 and 2025

(Unaudited)

HIGH ARCTIC ENERGY SERVICES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(thousands of Canadian Dollars)	(unaudited) As at September 30, 2026	(audited) As at December 31, 2025
Assets		
Current assets		
Cash and cash equivalents	3,063	3,294
Accounts receivable (Note 3)	4,388	2,948
Inventory	21	21
Prepaid expenses and other assets	171	224
Current portion of notes and other receivables (Note 4)	1,778	1,175
	9,421	7,662
Non-current assets		
Property and equipment (Note 5)	10,097	9,993
Right of use assets (Note 6(a))	827	1,003
Intangible assets (Note 7)	928	1,178
Goodwill (Note 8)	812	812
Notes and other receivables (Note 4)	-	853
Equity investments (Note 9)	9,261	8,382
	21,925	22,221
Total assets	31,346	29,883
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 10)	1,774	1,358
Long-term debt (Note 11)	175	175
Lease liabilities (Note 6(b))	333	294
Contingent consideration payable (Note 13)	1,445	2,191
	3,727	4,018
Non-current liabilities		
Long-term debt (Note 11)	2,872	3,003
Lease liabilities (Note 6(b))	606	819
	3,478	3,822
Total liabilities	7,205	7,840
Shareholders' Equity		
Share capital (Note 14(a))	133,426	133,426
Contributed surplus	13,411	13,319
Accumulated other comprehensive loss	(1,218)	(1,332)
Deficit	(121,478)	(123,370)
Total shareholders' equity	24,141	22,043
Total liabilities and shareholders' equity	31,346	29,883

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

HIGH ARCTIC ENERGY SERVICES INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(unaudited)	Three months ended September 30,		Nine months ended September 30,	
(thousands of Canadian Dollars)	2026	2025	2026	2025
Revenue (Note 18)	4,676	2,930	10,352	7,656
Oilfield services expenses (Note 16(a))	(2,330)	(1,291)	(5,336)	(3,508)
General and administrative expenses (Note 16(b))	(917)	(882)	(2,695)	(2,510)
Depreciation and amortization expenses (Notes 5, 6(a), 7)	(606)	(609)	(1,772)	(1,768)
Share-based compensation expense (Note 15)	(35)	(40)	(92)	(144)
Operating income (loss)	788	108	457	(274)
Interest and other income	33	47	114	155
Interest and finance expenses (Note 16(c))	(90)	(111)	(291)	(388)
Accretion income on notes and other receivables (Note 4)	42	52	144	167
Foreign exchange gain (loss)	-	2	8	(9)
Gain on disposal of property and equipment (Note 5)	67	70	109	76
Fair value adjustment to contingent consideration (Note 13)	(8)	-	(8)	362
Gain on assets disposed of pursuant to a rent-to-own agreement (Notes 4, 21)	-	-	340	-
Income from equity investments (Note 9)	202	756	1,019	420
Income before income tax	1,034	924	1,892	509
Income tax recovery	-	7	-	7
Deferred income tax expense	-	-	-	-
Net income	1,034	931	1,892	516
Other comprehensive income:				
Items that may be reclassified subsequently to net income:				
Foreign currency translation gain from foreign operations	1	-	8	1
Share of other comprehensive income from equity investments (Note 9)	6	-	106	-
Comprehensive income for the period	1,041	931	2,006	517

	Three months ended September 30,		Nine months ended September 30,	
	2026	2025	2026	2025
Net income per share: (Note 14(b))				
Basic	$0.08	$0.07	$0.15	$0.04
Diluted	$0.08	$0.07	$0.15	$0.04

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

HIGH ARCTIC ENERGY SERVICES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(unaudited) (thousands of Canadian Dollars, except number of common shares)	Number of common shares	Share capital	Contributed surplus	Accumulated other comprehensive loss	Deficit	Total shareholders' equity
Balance, December 31, 2024	12,448,166	133,153	13,156	(1,478)	(123,726)	21,105
Common share issuance related to contingent consideration (Notes 13, 14(a))	248,793	273	-	-	-	273
Share-based compensation expense (Note 15)	-	-	144	-	-	144
Other comprehensive income	-	-	-	1	-	1
Net income for the period	-	-	-	-	516	516
Balance, September 30, 2025	12,696,959	133,426	13,300	(1,477)	(123,210)	22,039
Balance, December 31, 2025	12,696,959	133,426	13,319	(1,332)	(123,370)	22,043
Share-based compensation expense (Note 15)	-	-	92	-	-	92
Other comprehensive income	-	-	-	114	-	114
Net income for the period	-	-	-	-	1,892	1,892
Balance, September 30, 2026	12,696,959	133,426	13,411	(1,218)	(121,478)	24,141

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

HIGH ARCTIC ENERGY SERVICES INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited) (thousands of Canadian Dollars)	Three months ended September 30, 2026	 2025	Nine months ended September 30, 2026	 2025
Cash flows from operating activities:				
Net income	1,034	931	1,892	516
Adjustments for:				
Depreciation and amortization expenses (Notes 5, 6(a), 7)	606	609	1,772	1,768
Foreign exchange (gain) loss	-	(2)	(8)	9
Share-based compensation expense (Note 15)	35	40	92	144
Non-cash interest and accretion income on notes and other receivables (Note 4)	(57)	(77)	(193)	(250)
Non-cash finance expenses (Note 16(c))	50	69	147	220
Gain on disposal of property and equipment (Note 5)	(67)	(70)	(109)	(76)
Gain on assets disposed of pursuant to a rent-to-own agreement (Note 4)	-	-	(340)	-
Fair value adjustment to contingent consideration (Note 13)	8	-	8	(362)
Income from equity investments (Note 9)	(202)	(756)	(1,019)	(420)
Funds from operating activities	1,407	744	2,242	1,549
Change in non-cash working capital (Note 17)	(1,071)	(193)	(887)	(591)
Cash from operating activities	**336**	**551**	**1,355**	**958**
Cash flows from investing activities:				
Property and equipment expenditures (Note 5)	(583)	(173)	(1,901)	(966)
Proceeds from disposal of property and equipment, net of costs	76	115	309	125
Payments received on notes and other receivables (Note 4)	446	273	1,629	1,112
Payment of contingent consideration (Note 13)	-	-	(1,147)	(873)
Change in non-cash working capital (Note 17)	(100)	-	(84)	-
Cash from (used in) investing activities	**(161)**	**215**	**(1,194)**	**(602)**
Cash flows from financing activities:				
Repayment of long-term debt	(45)	(43)	(131)	(131)
Payments of lease liabilities (Note 6(b))	(93)	(100)	(277)	(287)
Cash used in financing activities	**(138)**	**(143)**	**(408)**	**(418)**
Effect of foreign exchange rate changes	1	1	16	(9)
Total change in cash and cash equivalents	38	624	(231)	(71)
Total cash and cash equivalents, beginning of period	3,025	2,428	3,294	3,123
Total cash and cash equivalents, end of period	**3,063**	**3,052**	**3,063**	**3,052**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

(unaudited)
(stated in thousands of Canadian Dollars, except number of common shares, options, units, and per share amounts)

1. Nature of business

High Arctic Energy Services Inc. ("High Arctic" or the "Corporation") is incorporated under the laws of Alberta, Canada and is a publicly traded corporation listed on the Toronto Stock Exchange ("TSX") under the symbol "HWO". High Arctic's operations involve the provision of pressure control equipment and other equipment and related labour services supporting the high-pressure stimulation of oil and gas wells and other oilfield equipment on a rental basis to exploration and production companies in Canada. High Arctic also holds an investment in the energy service pressure control snubbing business in Western Canada and Alaska, United States, through a minority interest equity investment in Team Snubbing Services Inc. The Corporation's head office is located at Suite 2350, 330 – 5th Ave SW, Calgary, Canada T2P 0L4.

As at September 30, 2026, 5,479,159 common shares of the Corporation were owned by FBC Holdings S.A.R.L., representing 43.2% of the outstanding common shares. In addition, High Arctic directors and officers collectively own 761,674 common shares, representing 6.0% of the outstanding common shares.

The following table lists the Corporation's subsidiaries and significant corporate holdings. The jurisdiction of formation or incorporation of such subsidiaries or significant corporate holdings and the percentage of shares owned, directly or indirectly, by the Corporation as at September 30, 2026 and December 31, 2025 is as follows:

Name of subsidiary or significant corporate holding	Jurisdiction of formation or incorporation	Percentage ownership of shares beneficially owned or controlled directly or indirectly by the Corporation
HAES SD Holding Corp.	Alberta	100%
Powerstroke Well Control, Inc.	United States ("US")	100%
Seh' Chene GP Inc.	Alberta	49%
Seh' Chene Well Services Limited Partnership	Alberta	49%
Team Snubbing Services Inc. ("Team Snubbing")	Alberta	42%

2. Basis of presentation

(a) Statement of compliance and approval

These unaudited condensed interim consolidated financial statements ("Financial Statements") have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting. These Financial Statements were authorized for issuance by the Board of Directors on November 12, 2026.

(b) Basis of preparation

Unless otherwise noted, these Financial Statements follow the same accounting policies and methods of computation as described in the annual audited consolidated financial statements for the year ended December 31, 2025. Accordingly, these Financial Statements should be read in conjunction with the Corporation's audited consolidated financial statements for the year ended December 31, 2025.

(c) Functional and presentation currency

The Financial Statements are presented in Canadian Dollars, which is also the currency of the primary economic operating environment ("functional currency") of High Arctic, the parent company.

The US Dollar is the functional currency of the Corporation's US subsidiary.

All values are rounded to the nearest thousand dollars ($000), except where otherwise indicated.

(d) Recent accounting pronouncements

Certain amendments to IFRS 9, Financial Instruments, and IFRS 7, Financial Instruments: Disclosures have been adopted by the Corporation in the period. The amendments address the classification and measurement of financial instruments with an emphasis on clarifying the date of recognition and derecognition of financial assets and liabilities. These amendments are effective for annual periods starting on or after January 1, 2026. There is no material impact on the Corporation's Financial Statements as a result of the adoption of these amendments.

In April 2024, the International Accounting Standards Board ("IASB") issued IFRS 18, Presentation and Disclosures in Financial Statements, to replace IAS 1, Presentation of Financial Statements, effective January 1, 2027, with early adoption permitted. The new standard sets out the requirements for presentation and disclosures in the financial statements.

The Corporation is currently assessing the required adjustments to its chart of accounts, along with other enterprise system change requirements. Draft consolidated financial statements are being prepared to quantify the impact of changes, as are draft management performance measures and the related disclosures. Throughout 2026, the Corporation will finalize its drafted disclosures, prepare retrospective disclosures for the comparative period, and continue communication with stakeholders.

3. Accounts receivable

The aging and expected credit losses ("ECL") associated with accounts receivable was as follows:

(thousands of Canadian Dollars)	As at September 30, 2026	As at December 31, 2025
Less than 31 days	3,071	967
31 days to 60 days	1,039	857
61 days to 90 days	267	999
Greater than 90 days	42	234
	4,419	3,057
Expected credit loss	(31)	(109)
	4,388	2,948

4. Notes and other receivables

(thousands of Canadian Dollars)	Team Snubbing 2022 Note	Team Snubbing 2026 Receivable	Delta	Total
Notes and other receivables, December 31, 2024	2,548	-	836	3,384
Gross payments received	(1,091)	-	(293)	(1,384)
Interest included in gross payments	105	-	-	105
Non-cash accretion	187	-	29	216
Notes and other receivables – gross, December 31, 2025	1,749	-	572	2,321
Net settlement with contingent consideration (Note 13)	-	-	(293)	(293)
Notes and other receivables, December 31, 2025	1,749	-	279	2,028

Current portion	1,175
Long-term portion	853
Notes and other receivables, December 31, 2025	2,028

(thousands of Canadian Dollars)	Team Snubbing 2022 Note	Team Snubbing 2026 Receivable	Delta	Total
Notes and other receivables – gross, December 31, 2025	1,749	-	572	2,321
Addition of 2026 Team Snubbing receivable	-	893	-	893
Gross payments received	(818)	(518)	(293)	(1,629)
Interest included in gross payments	49	-	-	49
Non-cash accretion	97	36	11	144
Notes and other receivables – gross, September 30, 2026	1,077	411	290	1,778
Net settlement with contingent consideration (Note 13)	-	-	-	-
Notes and other receivables, September 30, 2026	1,077	411	290	1,778

Current portion	1,778
Long-term portion	-
Notes and other receivables, September 30, 2026	1,778

During 2022, High Arctic entered into an agreement with Team Snubbing Services Inc. ("Team Snubbing") to sell its snubbing assets (the "Snubbing Transaction"). As part of the consideration, High Arctic received a convertible promissory note, (the "2022 note") from Team Snubbing for $3,365 with a five-year term, annual interest of 4.5% accruing from January 1, 2023 and principal repayments which commenced in July 2024. The carrying value of the 2022 note was determined by discounting the anticipated contractual cash flows impact of the 2022 note using an effective interest rate of 13.0% which approximated the credit risk associated with the principal amount outstanding of the 2022 note upon initial recognition. In the event of default, the outstanding principal amount plus accrued interest is convertible to additional common shares of Team Snubbing.

In 2023, as part of the acquisition of Delta, High Arctic received an interest-free note receivable for $880 repayable in equal amounts over three years. The carrying value of the note was determined by discounting the anticipated future cash flow impact of the note using an effective interest rate of 5.0% approximated the credit risk associated with the principal amount outstanding of the note upon initial recognition.

During the nine months ended September 30, 2026, the Corporation provided property and equipment to Team Snubbing pursuant to a rent-to-own agreement. The property and equipment had a fair value of $941 with an exchange amount of $893, representing the present value of the expected cash flows under the agreement. The agreement requires Team Snubbing to make monthly payments and in addition provides Team Snubbing with the option to purchase the equipment at predetermined values no earlier than September 30, 2026 and no later than December 31, 2026, with December 31, 2026 being the expiration of the agreement. As of the date of these financial statements, the option to purchase had not been exercised.

In conjunction with this transaction, the Corporation recognized a gross receivable, the ("2026 receivable") from Team Snubbing of $941, with the present value being $893, resulting in $48 in non-cash accretion which will be recognized as interest income over the term of the agreement. The Corporation disposed of property and equipment with a net book value of $307, resulting in a gain on this transaction of $586, of which $340 or 58% has been included as a component of net income, with 58% being the Corporation's non-ownership percentage of its investment in Team Snubbing. The remaining $246, representing the Corporation's 42% ownership interest, has been recognized as a reduction to the carrying value of the Corporation's equity investment in Team Snubbing.

5. Property and equipment

(thousands of Canadian Dollars)	Vehicles	Oilfield equipment	Office and computer equipment	Land and buildings	Total
Cost					
Balance, December 31, 2025	236	19,499	2,253	6,866	28,854
Additions	-	1,901	-	-	1,901
Disposals	(182)	(5,175)	-	-	(5,357)
Balance, September 30, 2026	54	16,225	2,253	6,866	25,398
Accumulated depreciation					
Balance, December 31, 2025	181	14,439	2,219	2,022	18,861
Depreciation	15	1,132	13	130	1,290
Disposals	(180)	(4,670)	-	-	(4,850)
Balance, September 30, 2026	16	10,901	2,232	2,152	15,301
Net book value, December 31, 2025	55	5,060	34	4,844	9,993
Net book value, September 30, 2026	38	5,324	21	4,714	10,097

During the nine months ended September 30, 2026, property and equipment disposals included assets with a net book value of $307 that were disposed of pursuant to the rent-to-own agreement with Team Snubbing (Note 4). The transaction resulted in a total gain of $586, based on the recognition of a note receivable of $893, of which $340 was recognized in net income and $246 was recognized as a reduction to the carrying value of the Corporation's equity investment in Team Snubbing. In addition, property and equipment with a net book value of $200 was disposed of for proceeds of $309, resulting in a gain on disposal of $109.

6. Right of use assets and lease liabilities

(a) Right of use assets:

(thousands of Canadian Dollars)	As at September 30, 2026	As at December 31, 2025
Cost		
Opening balance, beginning of period	1,541	1,611
Additions	56	198
Disposals	-	(268)
Closing balance, end of period [1]	1,597	1,541

(thousands of Canadian Dollars)	As at September 30, 2026	As at December 31, 2025
Accumulated amortization		
Opening balance, beginning of period	538	407
Amortization	232	314
Disposals	-	(183)
Closing balance, end of period [1]	770	538
Net book value, end of period	827	1,003

[1] As at September 30, 2026 includes the period January 1, 2026 through September 30, 2026. As at December 31, 2025 includes the period January 1, 2025 through December 31, 2025.

Right of use assets are comprised of real estate assets and vehicles.

(b) Lease liabilities:

(thousands of Canadian Dollars)	As at September 30, 2026	As at December 31, 2025
Opening balance, beginning of period	1,113	1,311
Additions	56	198
Disposals	-	(85)
Payments	(277)	(383)
Finance expense (Note 16(c))	47	72
Closing balance, end of period [1]	939	1,113
Current	333	294
Non-current	606	819

[1] As at September 30, 2026 includes the period January 1, 2026 through September 30, 2026. As at December 31, 2025 includes the period January 1, 2025 through December 31, 2025.

Lease liabilities relate to real estate assets and vehicles which are recorded as right of use assets.

The incremental borrowing rate used to discount lease additions for the nine months ended September 30, 2026 ranged from 6.20% to 7.25% and for the year ended December 31, 2025 ranged from 6.20% to 7.25%.

The undiscounted cash flows relating to the lease liabilities at September 30, 2026 and December 31, 2025 are as follows:

(thousands of Canadian Dollars)	As at September 30, 2026	As at December 31, 2025
Less than one year	374	351
One year to five years	642	885
More than five years	-	-
Total undiscounted lease liabilities	1,016	1,236

Lease payments for short-term and low-value leases, primarily related to third-party rental equipment, were expensed as incurred and amounted to $578 for the nine months ended September 30, 2026 and $1,122 for the nine months ended September 30, 2025.

7. Intangible assets

(thousands of Canadian Dollars)	Customer relationships	Brand and non-compete agreement	Software	Total intangibles
Cost				
Balance, December 31, 2024	1,215	286	322	1,823
Additions	-	-	-	-
Balance, December 31, 2025	1,215	286	322	1,823
Additions	-	-	-	-
Balance, September 30, 2026	1,215	286	322	1,823
Accumulated amortization				
Balance, December 31, 2024	243	57	13	313
Amortization	243	57	32	332
Balance, December 31, 2025	486	114	45	645
Amortization	182	43	25	250
Balance, September 30, 2026	668	157	70	895
Net book value, December 31, 2025	729	172	277	1,178
Net book value, September 30, 2026	547	129	252	928

8. Goodwill

(thousands of Canadian Dollars)	As at September 30, 2026	As at December 31, 2025
Goodwill	812	812

Goodwill is the result of previous business combinations and is generally attributable to anticipated synergies and other intangible assets that did not qualify for separate recognition. There were no indicators of impairment as at September 30, 2026.

9. Equity investments

(thousands of Canadian Dollars)	Team Snubbing Services Inc.	Seh' Chene Well Services Limited Partnership	Total
As at December 31, 2024	7,344	148	7,492
Income from equity investments	882	-	882
Other comprehensive income from equity investments	145	-	145
Distributions received	-	(137)	(137)
As at December 31, 2025	8,371	11	8,382
Income from equity investments	1,019	-	1,019
Other comprehensive income from equity investments	106	-	106
Gain on assets disposed of pursuant to a rent-to-own agreement (Note 4)	(246)	-	(246)
As at September 30, 2026	9,250	11	9,261

Team Snubbing Services Inc.

In 2022, as part of the Snubbing Transaction, an equity ownership investment in Team Snubbing and a note receivable (Note 4) were received as consideration, which collectively form the Corporation's net investment in Team Snubbing.

High Arctic has a 42% ownership interest and holds two of the five available Board of Director positions in Team Snubbing. High Arctic does not have control over Team Snubbing and as a result, High Arctic accounts for its investment in Team Snubbing on an equity basis.

Team Snubbing is an Alberta corporation which primarily provides pressure control snubbing services to the energy services industry in Western Canada and Alaska, United States.

The consolidated financial information for Team Snubbing, including a reconciliation to the Corporation's carrying value of its investment in Team Snubbing, as at September 30, 2026 and December 31, 2025, and for the three and nine months ended September 30, 2026 and 2025 are as follows:

Consolidated Statements of Financial Position	(unaudited) As at September 30, 2026	As at December 31, 2025
(thousands of Canadian Dollars)		
Cash	72	60
Current assets, excluding cash	9,997	8,286
Non-current assets	23,383	20,369
Current liabilities	(19,187)	(18,482)
Non-current liabilities	(2,574)	(1,221)
	11,691	9,012
Adjusted for embedded goodwill on initial 42% investment in Team Snubbing [(1)]	10,919	10,919
Adjusted for gain on assets disposed of pursuant to a rent-to-own agreement [(2)]	(586)	-
Adjusted net asset value	22,024	19,931
Equity ownership percentage	42%	42%
Carrying value – Investment in Team Snubbing	9,250	8,371

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)	Three months ended September 30,		Nine months ended September 30,	
(thousands of Canadian Dollars)	2026	2025	2026	2025
Revenue	12,075	9,985	33,364	23,974
Net income after tax	480	1,801	2,426	1,000
Net income after tax – High Arctic's 42% share	202	756	1,019	420
Other comprehensive income	15	-	254	-
Other comprehensive income – High Arctic's 42% share	6	-	106	-

(1) The carrying amount of the equity ownership investment includes $4,586 being the Corporation's proportionate share of the embedded goodwill on the initial 42% investment in Team Snubbing (2025: $4,586).

(2) The carrying amount of the equity ownership investment includes a reduction of $246 being the Corporation's 42% proportionate share of the $586 total gain on disposal of assets.

10. Accounts payable and accrued liabilities

The nature of the Corporation's accounts payable and accrued liabilities are as follows:

(thousands of Canadian Dollars)	As at September 30, 2026	As at December 31, 2025
Trade accounts payable	912	578
Accrued liabilities	701	583
Wages and payroll taxes payable	144	83
Other accounts payable	17	114
Total accounts payable and accrued liabilities	1,774	1,358

11. Long-term debt

(thousands of Canadian Dollars)	As at September 30, 2026	As at December 31, 2025
Current	175	175
Non-current	2,872	3,003
Total	3,047	3,178

The Corporation has mortgage financing secured by its lands and buildings located within Alberta, Canada. The mortgage bears interest at a fixed rate of 4.30% and requires monthly principal and interest payments. The mortgage has a contractual maturity date in 2044. The current interest rate term is five years and expires on December 15, 2026. The Corporation's mortgage financing contains certain non-financial covenants requiring lenders consent, including changes to the underlying business. The Corporation was in compliance with all non-financial covenants as at September 30, 2026 and December 31, 2025.

12. Credit facility

On December 29, 2025, the Corporation entered into a revolving credit facility (the "Facility") with a Canadian financial institution (the "Lender") for a maximum principal amount of $3,000. The Facility is secured by a general security agreement, which specifically provides the Lender with a first priority lien over the majority of the Corporation's personal property, inclusive of the Corporation's trade accounts receivable (the "Borrowing Base"). The availability of the Facility is limited to eligible trade accounts receivable, subject to monthly borrowing base certificates and eligibility requirements, with eligibility requirements based on the age and creditworthiness of the Corporation's trade accounts receivable.

As at September 30, 2026 and December 31, 2025, there were no amounts drawn on the Facility. As at September 30, 2026, in accordance with the Borrowing Base calculation, the maximum amount available under the Facility was $2,167 (December 31, 2025: $1,424).

The Facility matures on December 28, 2026. The Facility is due on demand at the discretion of the Lender, while the Corporation maintains the ability to draw on, and make repayments at its discretion.

The interest rate on any drawn amounts is Canadian prime plus 2.25%. The Facility requires the payment of standby fees on any undrawn amounts.

The Facility has a number of financial covenants which include the Corporation maintaining certain financial ratios related to current assets and current liabilities, debt obligations to earnings before interest, income taxes, depreciation and amortization expenses, as defined in the Facility agreement, ("Compliance EBITDA"), and a debt service coverage ratio. The Corporation was in compliance with all financial and non-financial covenants as at September 30, 2026 and December 31, 2025.

13. Contingent consideration payable

(thousands of Canadian Dollars)	As at September 30, 2026	As at December 31, 2025
Opening balance - gross, beginning of period	2,484	3,503
Accretion (Note 16(c))	100	216
Fair value adjustment	8	(89)
Cash payment – gross	(1,147)	(873)
Settlement through issuance of common shares (Note 14(a))	-	(273)
Closing balance – gross, end of period [(1)]	1,445	2,484

Contingent consideration payable – gross	1,445	2,484
Less: impact of net settlement of note receivable (Note 4)	-	(293)
Contingent consideration payable – net	1,445	2,191
Current	1,445	2,191
Non-current	-	-
Total	1,445	2,191

(1) As at September 30, 2026 includes the period January 1, 2026 through September 30, 2026. As at December 31, 2025 includes the period January 1, 2025 through December 31, 2025.

On December 28, 2023, High Arctic completed the acquisition of all the shares of Delta for cash consideration of $3,430 and contingent consideration of $2,952. The contingent consideration is payable in a combination of cash and common shares of the Corporation over a thirty-six-month period following the transaction's close. Common shares of the Corporation can be issued to settle a component of the contingent consideration if the Corporation's capital structure provides the ability to do so. As at December 31, 2025 and September 30, 2026, the Corporation does not currently expect to issue additional common shares in settlement of the remaining contingent consideration.

The contingent consideration is anticipated to be paid in three instalments being Year 1 (calculated based on fiscal 2024 financial results), Year 2 (calculated based on fiscal 2025 financial results) and Year 3 (calculated based on fiscal 2026 financial results). Payment of each respective year will occur during the first quarter of the fiscal year subsequent to the most recently completed fiscal year.

The contingent consideration is based on Delta achieving specific profitability targets and is adjusted for capital expenditures incurred. The seller will receive a percentage of the profitability target achieved based on the following schedule:

Calculation of Contingent Consideration Percentage Multiplier:

Percent of profitability target achieved	Percentage multiplier
Less than 50% of profitability target	= 0x
50% to 95% of profitability target	= 1x minus (2 multiplied by (100% - % of profitability target achieved))
95% to 120% of profitability target	= 1x
Greater than 120% of profitability target	= 1.2x plus (1.5 multiplied by (% of profitability target achieved – 120%))

In determining the fair value of the contingent consideration payable for periods where actual financial results are not completed, the Corporation utilizes a combination of future internal budgets and forecasts, taking into account various probability scenarios, as appropriate, to determine a probability-weighted future liability. Future expected payments are discounted to determine the current present value of the anticipated payments. Changes to future expected payments are recognized in net income, in the period the determination is made as a fair value adjustment.

In 2024, as a result of 2024 actual financial results and capital expenditures related to the legacy Delta business, combined with expected financial results and capital expenditures for fiscal 2025 and 2026, the Corporation recognized a total liability of $3,503 of which $1,146 was the Year 1 liability. In the first quarter of 2025, the Corporation settled the 2024 financial liability (Year 1 liability) of $1,146 through a net cash payment of $580, the issuance of common shares with a value of $273 and the net settlement of amounts due to the Corporation related to the note receivable of $293.

In 2025, as a result of 2025 actual financial results and capital expenditures related to the legacy Delta business, combined with expected financial results and capital expenditures for 2026, the Corporation recognized a total liability of $2,484, of which $1,147 was the Year 2 liability. In the first quarter of 2026, the Corporation settled the 2025 financial liability (Year 2 liability) of $1,147 through a cash payment of $854 and the net settlement of amounts owing to the Corporation related to the note receivable of $293.

As at September 30, 2026, the Corporation has recognized a liability of $1,445 in relation to the expected Year 3 payment. The financial obligation will be adjusted throughout fiscal 2026, if required, based on actual financial performance and additional non-cash accretion recognized throughout fiscal 2026.

14. Share capital

(a) Share capital

The Corporation is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares. No preferred shares have been issued by the Corporation. The common shares do not have a par value; all issued and outstanding common shares are fully paid.

(thousands of Canadian Dollars, except number of common shares)	As at September 30, 2026		As at December 31, 2025	
Common shares issued and outstanding:	Shares	Amount	Shares	Amount
Balance, beginning of period	12,696,959	133,426	12,448,166	133,153
Issuance of common shares (Note 13)	-	-	248,793	273
Balance, end of period	12,696,959	133,426	12,696,959	133,426

(1) As at September 30, 2026 includes the period January 1, 2026 through September 30, 2026. As at December 31, 2025 includes the period January 1, 2025 through December 31, 2025.

(b) Per share amounts

(thousands of Canadian Dollars, except per share amounts and number of common shares)	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Net income	1,034	931	1,892	516
Basic - weighted average number of common shares	12,696,959	12,696,959	12,696,959	12,638,634
Basic net income per share	0.08	0.07	0.15	0.04
Diluted - weighted average number of common shares [(1)(2)]	12,732,972	12,696,959	12,706,437	12,638,634
Diluted net income per share	0.08	0.07	0.15	0.04

(1) For periods when the Corporation has net earnings, stock options outstanding under the Corporation's equity-based compensation plans that are exercisable but out of the money are excluded from the calculation of diluted weighted average number of common shares as the inclusion of these stock options would be anti-dilutive.

(2) For periods when the Corporation incurs a net loss, the shares outstanding under the Corporation's equity-based compensation plans for the periods presented were excluded from the calculation of diluted weighted average number of common shares as the outstanding options and units were anti-dilutive.

15. Share-based compensation expense

On June 19, 2025, the Corporation adopted a new Omnibus Equity Incentive Plan (the "Equity-Based Compensation Plan") which allows for the issuance of stock options, performance share units, restricted share units and deferred share units. The Equity-Based Compensation Plan replaces all of the Corporation's legacy equity incentive plans. The general terms and conditions of the new Equity-Based Compensation Plan remain consistent with the Corporation's legacy equity incentive plans.

The Corporation's Equity-Based Compensation Plan allows up to 10% of all existing outstanding common shares to be issued. The following table summarizes the Corporation's current outstanding grants under the Equity-Based Compensation Plan as at September 30, 2026 and December 31, 2025:

(number of stock options and share units)	As at September 30, 2026	As at December 31, 2025
Stock options	920,000	575,000
Common shares available for grants	1,269,696	1,269,696
Percentage used of total available	72%	45%
Remaining common shares available for grant	349,696	694,696

Share-based compensation expense, which consists solely of expense related to stock options, associated with the Corporation's Equity-Based Compensation Plan can be summarized as follows:

(thousands of Canadian Dollars)	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Share-based compensation expense	35	40	92	144

Stock options

The Corporation's Equity-Based Compensation Plan provides for the issuance of stock options to purchase common shares which may be granted to directors, management, and certain employees. These stock options are typically exercisable over a term of five years and are subject to a three-year vesting period with 33.3% exercisable by the holder after the first anniversary date, another 33.3% after the second anniversary date and the balance after the third anniversary date.

Details regarding the stock options and associated changes and weighted average exercise prices are as follows:

	Number of stock options	Weighted average exercise price ($)
As at December 31, 2024	575,000	1.19
As at December 31, 2025	575,000	1.19
Granted	475,000	0.87
Forfeited	(130,000)	0.93
As at September 30, 2026	920,000	1.06

On November 18, 2024, a total of 575,000 stock options were granted at an exercise price of $1.19. The estimated fair value of each stock option granted was $0.51 calculated using the Black-Scholes-Merton model. The model inputs used include a five-day volume-weighted average share price of $1.19, expected annual volatility of 60.8%, a weighted-average forfeiture rate of 28.3%, and a risk-free interest rate of 3.1%. The expiry date of the options issued on November 18, 2024 is November 18, 2029.

On April 2, 2026, a total of 475,000 stock options were granted at an exercise price of $0.87. The estimated fair value of each stock option granted was $0.40 calculated using the Black-Scholes-Merton model. The model inputs used include a five-day volume-weighted average share price of $0.87, expected annual volatility of 60.8%, a weighted-average forfeiture rate of 27.3%, and a risk-free interest rate of 2.9%. The expiry date of the options issued on April 2, 2026 is April 2, 2031.

As at September 30, 2026, 383,330 of the issued and outstanding stock options were exercisable at weighted average exercise price of $1.19.

16. Supplementary expense disclosures

(a) Oilfield services expenses by nature:

	Three months ended September 30,		Nine months ended September 30,	
(thousands of Canadian Dollars)	2026	2025	2026	2025
Personnel	965	464	2,140	1,234
Materials and supplies	831	368	1,835	1,096
Equipment operating and maintenance	471	367	1,159	940
Other	63	92	202	238
Total oilfield services expenses	2,330	1,291	5,336	3,508

(b) General and administrative expenses by nature:

	Three months ended September 30,		Nine months ended September 30,	
(thousands of Canadian Dollars)	2026	2025	2026	2025
Personnel	583	529	1,769	1,573
Professional, legal and advisory fees	182	189	501	410
Office and warehouse	57	48	167	134
Corporate	56	57	189	180
Vehicle, supplies and other	11	11	30	106
Information technology services	20	21	65	92
Expected credit loss expense (recovery)	8	27	(26)	15
Total general and administrative expenses	917	882	2,695	2,510

(c) Interest and finance expenses:

	Three months ended September 30,		Nine months ended September 30,	
(thousands of Canadian Dollars)	2026	2025	2026	2025
Accretion expense on contingent consideration (Note 13)	33	51	100	165
Interest on long-term debt	33	35	102	108
Finance expense – lease liabilities (Note 6(b))	17	18	47	55
Other expenses	7	7	42	60
Interest and finance expenses	90	111	291	388

17. Supplementary cash flow information

Changes in non-cash working capital balances:

(thousands of Canadian Dollars)	Three months ended September 30, 2026	2025	Nine months ended September 30, 2026	2025
Source (use) of cash:				
Accounts receivable	(1,752)	(445)	(1,440)	(57)
Inventory, prepaid expenses and other assets	103	68	53	108
Accounts payable and accrued liabilities	478	184	416	(642)
	(1,171)	(193)	(971)	(591)
Attributable to:				
Operating activities	(1,071)	(193)	(887)	(591)
Investing activities	(100)	-	(84)	-
Financing activities	-	-	-	-
	(1,171)	(193)	(971)	(591)

18. Revenue disaggregation

(thousands of Canadian Dollars)	Three months ended September 30, 2026	2025	Nine months ended September 30, 2026	2025
Equipment rentals	2,948	1,902	6,425	5,008
Labour services, ancillary, reimbursements and other	1,601	930	3,554	2,354
Leases	127	98	373	294
Total revenue	4,676	2,930	10,352	7,656

19. Financial instruments and risk management

Financial instrument measurement and classification:

a) Fair Value Hierarchy

The Corporation has segregated all financial assets and liabilities into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date.

The fair value of the Corporation's financial instruments requires classification into one of the following levels of the fair value hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy level at which a fair value measurement is categorized is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

b) Fair values versus carrying amounts

The Corporation's financial assets and liabilities consist of cash and cash equivalents, accounts receivable, notes and other receivables, accounts payable and accrued liabilities, long-term debt, and contingent consideration payable. The carrying values of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate fair value due to the short-term nature of these instruments.

The fair values of financial assets and liabilities, together with amounts shown in the consolidated statements of financial position, are as follows:

	As at September 30, 2026		As at December 31, 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at amortized cost:				
Cash and cash equivalents	3,063	3,063	3,294	3,294
Accounts receivable	4,388	4,388	2,948	2,948
Notes and other receivables [(1)]	1,778	1,778	2,321	2,321

	As at September 30, 2026		As at December 31, 2025	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities at amortized cost:				
Accounts payable and accrued liabilities	1,774	1,774	1,358	1,358
Long-term debt [(2)]	3,047	3,047	3,178	3,178
Financial liabilities at FVTPL:				
Contingent consideration payable [(3)]	1,445	1,445	2,484	2,484

(1) As at September 30, 2026, the estimated fair value of the Corporation's notes and other receivables was $1,778 (December 31, 2025 - $2,321). The fair value of the notes and other receivables is classified as Level 3 in the fair value hierarchy, as there are no quoted prices or observable market inputs available. Fair value is determined using a discounted cash flow model, which incorporates management's estimates of expected future cash flows, discount rates, and counterparty credit risk. See Note 4 for further information.

(2) The fair value of the long-term debt is determined by discounting the expected future cash flows using interest rates currently available to the Corporation for debt with similar terms, remaining maturities, and credit risk. The long-term debt bears interest at a fixed rate of 4.3%, which approximates market rates for comparable debt instruments as at September 30, 2026. As a result, management has determined that the carrying value of the long-term debt is not significantly different from its fair value as at September 30, 2026 (December 31, 2025 – not significantly different). See Note 11 for further information.

(3) As at September 30, 2026, the estimated fair value of the contingent consideration payable was $1,445 (December 31, 2025 - $2,484). The contingent consideration payable is measured at fair value at each reporting date and is classified as Level 3 in the fair value hierarchy due to the use of significant unobservable inputs. Fair value is determined using valuation techniques that incorporate management's estimates and assumptions regarding the probability and timing of future performance milestones and discount rates. See Note 13 for further information.

Market risks:

Market risk is the risk that the fair value or future cash flows of financial assets or liabilities will fluctuate due to movements in market rates:

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates. The Corporation currently has mortgage financing with a fixed interest rate of 4.30% (Note 11). The Corporation is exposed to interest rate risk upon renewal or expiration of the initial term. In addition, the Corporation has a revolving credit facility with no amounts drawn with an interest rate of Canadian prime plus 2.25%; the Corporation would be exposed to changes in floating interest rates on any future amounts drawn (Note 12).

The Corporation had no risk management contracts that would be affected by interest rates as at September 30, 2026 and December 31, 2025.

Commodity price risk

Commodity price risk is the risk that the Corporation's future cash flows will fluctuate due to changes in demand for High Arctic's services, where almost all the Corporation's customers are oil and gas producers. High Arctic's customers' activity and strategic decisions are impacted by the fluctuations of oil and gas pricing.

These prices are sensitive to not only the relationship between the Canadian and US dollar, but more importantly local, regional and world economic and geopolitical events. This includes implications from changing oil demand and supply, policy direction by OPEC, the ongoing effect of the conflicts between Russia and Ukraine and in the Middle East, and climate change driven transitions to lower emission energy sources.

The Corporation had no risk management contracts that would be affected by commodity prices as at September 30, 2026 and December 31, 2025.

Foreign currency risk

Foreign currency risk is the risk that a variation in the exchange rate between Canadian and foreign currencies will affect the Corporation's results. The Corporation's operations have nominal US Dollar exposure. US Dollar expenditures are typically only made when purchasing property and equipment. Accordingly, no changes to the net income would result if there was a $0.10 change in the exchange rate of the Canadian Dollar relative to the US Dollar.

Credit risk, customers, and concentration:

Credit risk is the risk of a financial loss occurring as a result of a default by a counterparty on its obligation to the Corporation. The Corporation's financial instruments that are exposed to credit risk consist primarily of accounts receivable, notes and other receivables and cash balances held in banks. The Corporation mitigates credit risk by regularly monitoring its accounts receivable position and depositing cash in properly capitalized banks. The Corporation also institutes credit reviews prior to commencement of contractual arrangements.

Accounts receivable

The Corporation's accounts receivable are primarily comprised of balances from customers operating in the oil and natural gas industry, whose revenues may be affected by fluctuations in oil and natural gas prices and are subject to credit risk consistent with the industry. The Corporation manages credit risk by assessing the creditworthiness of its customers on an ongoing basis and continuously reviews individual customer accounts receivables, taking into consideration payment history and the aging of the accounts receivable, to assess collectability.

In providing for ECL, the Corporation uses the historical default rates stratified by customer credit quality (investment grade and non-investment grade), adjusted for forward-looking information including commodity price assumptions and broader economic conditions affecting the oil and natural gas sector.

The net carrying amount of accounts receivable represents the estimated maximum credit exposure on the accounts receivable balance. The Corporation has a range of customers comprised of small independent, intermediate and large multinational oil and gas producers in North America.

Concentration of credit risk

The Corporation provided services to three customers who individually accounted for greater than 10% of its consolidated revenues during the three months ended September 30, 2026 with total sales of $2,973 (three months ended September 30, 2025: one customer with total sales of $1,502).

The Corporation provided services to one customer who individually accounted for greater than 10% of its consolidated revenues during the nine months ended September 30, 2026 with total sales of $3,914 (nine months ended September 30, 2025: one customer with total sales of $1,961).

As at September 30, 2026, three customers represented a total of $2,761 or 68% of outstanding accounts receivable (December 31, 2025: one customer represented a total of $1,057 or 38% of outstanding accounts receivable).

Notes and other receivables

Credit risk staging and recognition of ECLs

At initial recognition, the Corporation recognizes a loss allowance equal to 12-month expected credit loss. A loss allowance equal to lifetime expected credit loss is recognized when there has been a significant increase in credit risk ("SICR") since initial recognition. Notes and other receivables that are credit-impaired are measured using lifetime ECLs, with interest revenue calculated on the net carrying amount.

The assessment of whether a SICR has occurred requires the application of significant judgement and is performed at each reporting date. The Corporation applies a rebuttable presumption that credit risk has increased significantly when contractual payments are more than 30 days past due, unless there is persuasive evidence to support a contrary conclusion.

In assessing SICR, the Corporation considers both quantitative and qualitative factors, including, but not limited to:

- Changes in payment performance, delinquency status, and days past due;
- Compliance with contractual terms and financial or operational covenants, where applicable;
- Changes in counterparty creditworthiness, including the availability and quality of financial information and external credit indicators, where available; and
- Adverse changes in economic, industry, commodity price, or market conditions that are expected to affect the counterparty's ability to meet its contractual obligations.

Measurement of expected credit loss

Expected credit losses represent a probability-weighted estimate of credit losses over the expected life of the notes and other receivables and incorporates reasonable and supportable information that is available without undue cost or effort at the reporting date, including forward-looking information.

The measurement of ECLs incorporates the following key components:

- Probability of default – determined based on historical default experience adjusted for counterparty-specific risk factors and forward-looking macroeconomic assumptions, including commodity price forecasts and broader economic indicators;
- Loss given default – reflecting historical recovery experience, the contractual terms of the notes and other receivables, and the existence and estimated realizable value of any collateral, guarantees, or other credit enhancements, where applicable; and
- Exposure at default – representing the gross carrying amount outstanding at the reporting date, including accrued interest, where applicable.

Forward-looking information is incorporated through the use of multiple economic scenarios that are probability-weighted. Management judgement is required in selecting appropriate historical data, determining the relevance and weighting of forward-looking economic assumptions, and assessing counterparty-specific risk factors. Changes in assumptions related to counterparty credit quality, commodity prices, economic conditions, or expected recoveries could result in material changes to the ECL recognized in the Financial Statements.

	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)
Probability of default	0.5% to 5%	2.5% to 5%
Loss given default	1% to 5%	40% to 90%
Exposure at default	Gross carrying amount	Gross carrying amount

Write-offs

Notes and other receivables are written off, in whole or in part, when the Corporation determines that there is no reasonable expectation of recovery. Indicators that a note receivable should be written off include prolonged delinquency, insolvency or bankruptcy of the counterparty, or the exhaustion of all practical recovery actions. There were no write-offs of the Corporation's notes and other receivables during the three and nine months ended September 30, 2026 (three and nine months ended September 30, 2025: nil).

Concentration of credit risk

The Corporation's credit exposure arises from its notes and other receivables with Team Snubbing and Delta.

Management believes this risk is mitigated through ongoing credit monitoring, periodic reassessment of counterparty credit risk, and the application of credit loss allowances that reflect current and forward-looking conditions. Notwithstanding these mitigation strategies, adverse developments in the oil and gas sector or broader economic conditions could increase credit losses and result in higher ECL allowances.

Liquidity risk:

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The Corporation's processes for managing liquidity risk include preparing and monitoring capital and operating budgets, working capital management, coordinating and authorizing project expenditures, authorization of contractual agreements, and managing compliance to debt financing agreements.

The Corporation's future financial results and longer-term success are dependent upon its working capital, its ability to secure additional capital from debt or equity financings or completing other arrangements to fund the Corporation's activities while the Corporation attempts to generate recurring positive cash flows from operations. The Corporation will continue to monitor its liquidity position in future periods.

The following table details the remaining contractual maturities of the Corporation's financial liabilities, inclusive of lease liabilities, as at September 30, 2026:

Payments due by period						
(thousands of Canadian Dollars)	Less than 3 months	3 months to 1 year	1-2 years	2-5 years	>5 years	Total
Accounts payable and accrued liabilities	1,774	-	-	-	-	1,774
Lease liabilities	64	310	336	306	-	1,016
Long-term debt [2]	50	253	297	844	2,782	4,226
Contingent consideration payable [1]	-	1,445	-	-	-	1,445
Total	1,888	2,008	633	1,150	2,782	8,461

[1] See Note 13 for additional details.

[2] Repayments of long-term debt includes principal and interest.

20. Segmented information

The Corporation determines its operating segments based on internal information reviewed by the chief operating decision maker, being the Corporation's Chief Executive Officer ("CEO"), in addition to input from the Corporation's executive management team and Board of Directors to allocate resources and assess performance. The Corporation's reportable operating segments are strategic operating units that offer different products and services and warrant separate capital allocation consideration. As at September 30, 2026 and December 31, 2025, the Corporation has one operating segment, supported by a corporate segment.

A summary of the Corporation's segments is as follows:

a) *Rental services*

Consists of High Arctic's oilfield rental equipment and related labour services in Canada, centered upon pressure control equipment and other equipment and services supporting the high-pressure stimulation of oil and gas wells in the Western Canadian Sedimentary Basin.

b) Corporate

This segment provides management and administrative services to the Corporation's operations and includes the Corporation's equity investments and passively held industrial properties.

Details associated with each segment are provided as at September 30, 2026 and December 31, 2025 and for the three and nine months ended September 30, 2026 and 2025 in the tables which follow.

i. Income (loss) from reportable segments

Three months ended September 30, 2026			
(thousands of Canadian Dollars)	Rental services	Corporate	Total
Revenue	4,549	127	4,676
Oilfield services expenses	(2,330)	-	(2,330)
General and administrative expenses	(251)	(666)	(917)
Depreciation and amortization expenses	(556)	(50)	(606)
Share-based compensation expense	-	(35)	(35)
Interest and other income	-	33	33
Interest and finance expenses	-	(90)	(90)
Accretion income on notes and other receivables	-	42	42
Gain on disposal of property and equipment	67	-	67
Fair value adjustment to contingent consideration	-	(8)	(8)
Income from equity investments	-	202	202
Net segment income (loss) before income tax expense	1,479	(445)	1,034

Three months ended September 30, 2025			
(thousands of Canadian Dollars)	Rental services	Corporate	Total
Revenue	2,832	98	2,930
Oilfield services expenses	(1,291)	-	(1,291)
General and administrative expenses	(224)	(658)	(882)
Depreciation and amortization expenses	(528)	(81)	(609)
Share-based compensation expense	-	(40)	(40)
Interest and other income	-	47	47
Interest and finance expenses	-	(111)	(111)
Accretion income on notes and other receivables	-	52	52
Foreign exchange gain	-	2	2
Gain on disposal of property and equipment	70	-	70
Income from equity investments	-	756	756
Net segment income before income tax expense	859	65	924

Nine months ended September 30, 2026			
(thousands of Canadian Dollars)	Rental services	Corporate	Total
Revenue	9,979	373	10,352
Oilfield services expenses	(5,336)	-	(5,336)
General and administrative expenses	(715)	(1,980)	(2,695)
Depreciation and amortization expenses	(1,621)	(151)	(1,772)
Share-based compensation expense	-	(92)	(92)
Interest and other income	-	114	114
Interest and finance expenses	-	(291)	(291)
Accretion income on notes and other receivables	-	144	144
Foreign exchange gain	-	8	8
Gain on disposal of property and equipment	109	-	109
Gain on assets disposed of pursuant to a rent-to-own agreement	340	-	340
Fair value adjustment to contingent consideration	-	(8)	(8)
Income from equity investments	-	1,019	1,019
Net segment income (loss) before income tax expense	2,756	(864)	1,892

Nine months ended September 30, 2025			
(thousands of Canadian Dollars)	Rental services	Corporate	Total
Revenue	7,362	294	7,656
Oilfield services expenses	(3,508)	-	(3,508)
General and administrative expenses	(682)	(1,828)	(2,510)
Depreciation and amortization expenses	(1,482)	(286)	(1,768)
Share-based compensation expense	-	(144)	(144)
Interest and other income	-	155	155
Interest and finance expenses	-	(388)	(388)
Accretion income on notes and other receivables	-	167	167
Foreign exchange loss	-	(9)	(9)
Gain on disposal of property and equipment	76	-	76
Fair value adjustment to contingent consideration	-	362	362
Income from equity investments	-	420	420
Net segment income (loss) before income tax expense	1,766	(1,257)	509

ii. Asset breakdown by reportable segments

As at September 30, 2026			
(thousands of Canadian Dollars)	Rental services	Corporate	Total
Property and equipment	6,487	3,610	10,097
Right of use assets	810	17	827
Equity investments	-	9,261	9,261
Total assets	13,186	18,160	31,346
Capital expenditures [1]	1,901	-	1,901

As at December 31, 2025			
(thousands of Canadian Dollars)	Rental services	Corporate	Total
Property and equipment	6,107	3,886	9,993
Right of use assets	971	32	1,003
Equity investments	-	8,382	8,382
Total assets	11,761	18,122	29,883
Capital expenditures [1]	966	-	966

[1] For the nine months ended September 30, 2026 and 2025.

21. Related party transactions

Team Snubbing

The Corporation routinely conducts business with Team Snubbing in which it holds a 42% equity ownership interest (Note 9). The following table represents the balances as at September 30, 2026 and December 31, 2025, and transaction totals for the nine months ended September 30, 2026 and 2025 with Team Snubbing:

(thousands of Canadian Dollars)	2026	2025
Accounts receivable [1]	632	286
Notes and other receivables	1,488	1,749
Revenue [2]	935	687
ECL [2]	8	1
Gain on assets disposed of pursuant to a rent-to-own agreement [2]	340	-

[1] As at September 30, 2026 and December 31, 2025.

[2] For the nine months ended September 30, 2026 and 2025.