

Orbit Garant Reports Fiscal 2026 Second Quarter Financial Results

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[Orbit Garant Drilling Inc.](#) (TSX: OGD) ("Orbit Garant" or the "Company") today announced its financial results for the periods ended December 31, 2025 ("Q2 2026" and "YTD 2026", respectively). All dollar amounts are in Canadian dollars, unless stated.

Financial Highlights

(\$ amounts in millions, except per share amounts)	Three months ended December 31, 2025	Three months ended December 31, 2024	Six months ended December 31, 2025	Six months ended December 31, 2024
Revenue	47.9	43.5	94.6	91.9
Gross Profit	6.5	7.2	12.1	14.8
Gross Margin (%)	13.5	16.5	12.8	16.1
Adjusted Gross Margin (%) ¹	18.5	21.5	17.8	20.8
Adjusted EBITDA ¹	5.1	4.5	8.7	10.7
Net earnings	1.3	0.5	1.6	3.4
Net earnings per share				
- Basic and diluted (\$)	0.03	0.01	0.04	0.09

(1) This is a non-IFRS measure and is not a standardized financial measure. The Company's method of calculating such financial measures may differ from the methods used by other issuers and, accordingly, the definition of these non-IFRS financial measures may not be comparable to similar measures presented by other issuers. Refer to "Reconciliation of Non-IFRS financial measures" on page 3 of this news release for more information about each non-IFRS measure and for the reconciliations to the most directly comparable IFRS financial measures.

"As expected, our results for the quarter reflect the full resumption of certain projects that were temporarily delayed from North America and South America, and the continued ramp-up of new drilling projects in Canada. Our overall level of drilling activity increased over quarter, with a higher proportion of specialized drilling. Our quarter over quarter revenue increased despite unexpected delays from a drilling project and drilling program modifications in South America. Competitive pricing on new contracts and contract renewals remained during the quarter," said Daniel Maheu, President and CEO of Orbit Garant. "The level of demand for our drilling services from senior and intermediate mining customers in both Canada and South America is intensifying and we are seeing a definite increase in request for proposals from junior exploration companies in Canada."

"Our drill utilization rates in the quarter reached their highest level in more than two years, and supported by new drilling contracts and contract renewals, we expect further increases in our drill utilization rates in our fiscal third quarter, which we can accomplish with minimal mobilization costs. Some of these increased utilization gains may not be fully realized until our fiscal fourth quarter due to various challenges caused by the severe winter weather conditions we have experienced in Canada in January and into February," continued Mr. Maheu. "With record gold prices and historically high copper prices supporting strong customer demand for our drilling services, we are confident in our business outlook for the second half of fiscal 2026 and entering into fiscal 2027."

Second Quarter Results

Revenue for Q2 2026 totalled \$47.9 million, an increase of 10.5% compared to \$43.5 million for the three-month period ended December 31, 2024.

31, 2024 ("Q2 2025"). Canada revenue totalled \$33.8 million in Q2 2026, an increase of 9.8% compared to \$30.8 million in Q2 2025, reflecting increased drilling activity and a higher proportion of specialized drilling activity. International revenue totalled \$12.7 million in Q2 2026, an increase of 12.1% compared to \$12.7 million in Q2 2025. The increase was attributable to increased drilling activity in Brazil and Guyana, partially offset by a customer decision to temporarily delay one project and unexpected modifications to another project. The project that was temporarily delayed by a customer decision was fully resumed in January 2026.

Gross profit for Q2 2026 was \$6.5 million, or 13.5% of revenue, compared to \$7.2 million, or 16.5% of revenue, in Q2 2025. Adjusted gross margin¹, excluding depreciation expenses, was 18.5% in Q2 2026, compared to 21.5% in Q2 2025. The decrease in gross margin and adjusted gross margin¹ was primarily attributable to lower drilling productivity on certain projects in Canada, a competitive pricing environment on new contracts and contract renewals, and customer-initiated delays and modifications to drilling programs in South America, as discussed above, partially offset by increased overall drilling activity, including a higher proportion of specialized drilling in Canada.

General and Administrative expenses were \$4.5 million, or 9.4% of revenue, in Q2 2026, compared to \$4.4 million, or 9.1% of revenue, in Q2 2025.

Adjusted EBITDA¹ totalled \$5.1 million in Q2 2026 compared to \$4.5 million in Q2 2025. The increase was primarily attributable to favourable foreign exchange variation, partially offset by lower operating earnings.

Net earnings for Q2 2026 were \$1.3 million, or \$0.03 per share (diluted), compared to net earnings of \$0.5 million, or \$0.01 per share (diluted), in Q2 2025. The increase in net earnings in Q2 2026 was primarily attributable to lower income tax expenses and favourable foreign exchange variation, partially offset by lower operating earnings.

Liquidity and Capital Resources

The Company repaid a net amount of \$3.3 million on its Credit Facility in Q2 2026, compared to a repayment of \$2.4 million in Q2 2025. The Company's long-term debt under the Credit Facility, including the current portion, was \$16.0 million as at December 31, 2025, compared to \$14.0 million as at June 30, 2025.

On December 22, 2025, the Company entered into a sixth amended and restated credit agreement with National Bank of Canada in respect of the Credit Facility (the "Credit Agreement"). The Credit Facility consists of a \$30.0 million revolving credit facility and a \$5.0 million credit facility in the unused amount of US\$5.0 million utilized for the purposes of standby letters of credit. The Company's obligations under the US\$5.0 million credit facility are guaranteed by EDC. The Credit Facility expires on December 22, 2029.

On October 28, 2025, the Company announced that the Toronto Stock Exchange ("TSX") accepted its notice of intention to make a normal course issuer bid (the "NCIB Program") to purchase outstanding common shares of Orbit Garant on the open market in accordance with the rules of the TSX. Pursuant to the NCIB Program, Orbit Garant may purchase, from time to time, in aggregate up to 1,000,000 common shares over a 12-month period commencing on October 31, 2025, and terminating on October 30, 2026. During Q2 2025, Orbit Garant repurchased and cancelled 141,450 Common Shares at a weighted average price of \$1.29 per share pursuant to the NCIB Program. During Q2 2026, the Company issued 185,549 Common Shares as a result of options being exercised.

The Company repurchased and cancelled 68,916 Common Shares at a weighted average price of \$0.82 per share pursuant to its normal course issuer bid from October 31, 2024 to October 30, 2025.

As at February 11, 2026, Orbit Garant had 37,935,389 common shares issued and outstanding.

As at December 31, 2025, the Company's working capital totalled \$51.5 million compared to \$50.4 million as at June 30, 2025. Orbit Garant's working capital requirements are primarily related to the funding of inventory and the financing of accounts receivable.

Orbit Garant's unaudited interim condensed consolidated financial statements and management's discussion and analysis are available via the Company's website at www.orbitgarant.com or SEDAR+ at www.sedarplus.ca.

Conference Call

Daniel Maheu, President and CEO, and Pier-Luc Laplante, CFO, will host a conference call for analysts and investors on February 11, 2026.

February 12, 2026 at 10:00 a.m. (ET). To join the conference call without operator assistance, you can register and enter your phone number at <https://registrations.events/easyconnect/1157712/recn3Y66Lsv9buk0o> to receive an instant automated call back. Alternatively, you can dial 647-932-3411 or 1-800-715-9871 to reach a live operator that will join you into the call.

A live webcast of the call will be available on Orbit Garant's website at <http://www.orbitgarant.com/en/events>. The webcast will be available following conclusion of the call. To access a replay of the conference call dial 647-362-9199 or 1-800-770-2030, passcode 123456. The replay will be available until February 19, 2026.

RECONCILIATION OF NON - IFRS FINANCIAL MEASURES

Financial data has been prepared in conformity with International Financial Reporting Standards ("IFRS"). However, certain non-IFRS financial measures used in this discussion and analysis do not have any standardized meaning under IFRS and could be calculated differently by other companies. The Company believes that certain non-IFRS financial measures, when presented in conjunction with comparable IFRS financial measures, are useful to investors and other readers because the information is an appropriate measure to evaluate the Company's operating performance. Internally, the Company uses this non-IFRS financial information as an indicator of operating performance. These measures are provided for information purposes, in addition to, and not as a substitute for, measures of performance prepared in accordance with IFRS.

EBITDA, adjusted EBITDA and adjusted EBITDA margin: EBITDA is defined as net earnings (loss) before interest, taxes, depreciation and amortization. Adjusted EBITDA is defined as EBITDA excluding the impact of the interest expense on long-term receivable, net of expected credit loss. Adjusted EBITDA margin is defined as adjusted EBITDA to contract revenue.

Adjusted gross profit and adjusted gross margin: Adjusted gross profit is defined as gross profit excluding depreciation and equipment. Adjusted gross margin is defined as the percentage of adjusted gross profit to adjusted EBITDA and Adjusted EBITDA Margin revenue.

Management believes that EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin are important measures when analyzing operating profitability, as they remove the impact of financing costs, certain non-cash items, income taxes and restructuring costs. Management considers these measures as useful and comparable benchmarks for evaluating the Company's performance. However, these measures rarely have the same capital and financing structure.

Reconciliation of EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin

(unaudited)	3 months ended	3 months ended	6 months ended	6 months ended
(in millions of dollars)	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Net earnings for the period	1.3	0.5	1.6	3.4
Add:				
Finance costs	0.6	0.8	1.2	1.6
Income tax expense (recovery)	0.4	1.2	0.8	1.8
Depreciation and amortization	2.8	2.4	5.3	4.8
EBITDA	5.1	4.9	8.9	11.6
Interest revenue on long-term receivable -		(0.4)	(0.2)	(0.9)
Adjusted EBITDA	5.1	4.5	8.7	10.7
Contract Revenue	47.9	43.5	94.6	91.9
Adjusted EBITDA margin (%) ⁽¹⁾				

(1) Adjusted EBITDA, divided by contract revenue X 100

Adjusted Gross Profit and Adjusted Gross Margin

Although adjusted gross profit and adjusted gross margin are not recognized financial measures defined by IFRS, Management considers them to be important measures as they represent the Company's core profitability, without the impact of depreciation expense. As a result, Management believes they provide a useful and comparable benchmark for evaluating the Company's performance.

Reconciliation of Adjusted Gross Profit and Adjusted Gross Margin

(unaudited)	3 months ended	3 months ended	6 months ended	6 m
(in millions of dollars)	December 31, 2025	December 31, 2024	December 31, 2025	Dec
Contract revenue	47.9	43.5	94.6	91.
Cost of contract revenue (including depreciation)	41.5	36.3	82.5	77.
Less depreciation	(2.6)	(2.3)	(4.8)	(4.4)
Add gain on disposal of property, plant and equipment	0.1	0.1	0.1	0.1
Direct costs	39.0	34.1	77.8	72.
Adjusted gross profit	8.9	9.4	16.8	19.
Adjusted gross margin (%) ⁽¹⁾	18.5	21.5	17.8	20.

(1) Adjusted gross profit, divided by contract revenue X 100

About Orbit Garant

Headquartered in Val-d'Or, Quebec, Orbit Garant is one of the largest Canadian-based mineral drilling companies, providing both underground and surface drilling services in Canada and internationally through its 182 drill rigs and approximately 1,200 employees. Orbit Garant provides services to major, intermediate and junior mining companies, through each stage of mining exploration, development and production. The Company also provides geotechnical drilling services to mining or mineral exploration companies, engineering and environmental consultant firms, and government agencies. For more information, please visit the Company's website at www.orbitgarant.com.

Forward-looking information

This news release may contain forward-looking statements (within the meaning of applicable securities laws) relating to business of Orbit Garant Drilling Inc. (the "Company") and the environment in which it operates. Forward-looking statements are identified by words such as "believe", "anticipate", "expect", "intend", "plan", "will", "may" and other similar expressions. These statements are based on the Company's expectations, estimates, forecasts and projections. They are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Risks and uncertainties that could cause actual results, performance or achievements to differ materially include the world economic climate as it relates to the mining industry; the Canadian economic environment; the Company's ability to attract and retain customers and to manage its assets and operating costs; the political situation in certain jurisdictions in which the Company operates and the operating environment in the jurisdictions in which the Company operates, as well as the risks and uncertainties are discussed in the Company's regulatory filings available at www.sedarplus.ca. There can be no assurance that forward-looking statements will prove to be accurate as actual outcomes and results may differ materially from those expressed in these forward-looking statements. Readers, therefore, should not place undue reliance on any such forward-looking statements. Further, a forward-looking statement speaks only as of the date on which such statement is made. The Company undertakes no obligation to publicly update any such statement or to reflect new information or the

occurrence of future events or circumstances except as required by applicable securities laws.

SOURCE Orbit Garant Drilling Inc.

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