



Calfrac Reports Third-Quarter Adjusted EBITDA of \$91.3 Million and Free Cash Flow of \$48.1 Million

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CALGARY, Alberta, Nov. 08, 2023 (GLOBE NEWSWIRE) -- **Calfrac Well Services Ltd.** ("**Calfrac**" or "**the Company**") (TSX: **CFW**) announces its financial and operating results for the three and nine months ended September 30, 2023. The following press release should be read in conjunction with the management's discussion and analysis and interim consolidated financial statements and notes thereto as at September 30, 2023. Readers should also refer to the "Forward-looking statements" legal advisory and the section regarding "Non-GAAP Measures" at the end of this press release. All financial amounts and measures are expressed in Canadian dollars unless otherwise indicated. Additional information about Calfrac is available on the SEDAR website at www.sedarplus.ca, including the Company's Annual Information Form for the year ended December 31, 2022.

CEO'S MESSAGE

Calfrac overcame lower than expected utilization in North America to make significant progress on its key strategic objectives during the third quarter. The Company leveraged its diverse geographic footprint in North America and Argentina to generate Adjusted EBITDA from continuing operations of \$91.3 million. Calfrac's strong execution in the field combined with its disciplined approach to capital allocation resulted in the generation of \$48.1 million of free cash flow during the quarter, which was used to strengthen its balance sheet through a \$43.7 million reduction in net debt and the deployment of an additional nine Tier IV dynamic gas blend ("DGB") fracturing pumps. Consequently, Calfrac exited the third quarter of 2023 with a net debt to EBITDA ratio of 0.92 to 1, the lowest in recent history. This strong execution leaves the Company well-positioned to capitalize on the current oilfield services market up cycle. Calfrac is currently collaborating with its customers to optimize completions schedules and anticipates that steady utilization throughout next year will drive further improvements in financial performance.

Calfrac's Chief Executive Officer, Pat Powell commented: "The Calfrac team took additional steps towards accomplishing our long-term goals this quarter and I am excited about our future as we continue to execute on our brand promise to generate strong returns for our shareholders, reduce debt, and improve our asset quality in the field."

SELECT FINANCIAL HIGHLIGHTS – CONTINUING OPERATIONS

	Three Months Ended Sep. 30,			Nine Months Ended Sep. 30,		
	2023	2022	Change	2023	2022	Change
<i>(C\$000s, except per share amounts)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(%)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(%)</i>
<i>(unaudited)</i>		<i>Revised (1)</i>			<i>Revised (1)</i>	
Revenue	483,093	438,338	10	1,442,879	1,051,373	37
Adjusted EBITDA ⁽¹⁾⁽²⁾⁽³⁾	91,286	94,289	(3)	262,865	157,787	67
Consolidated cash flows provided by operating activities	101,264	13,753	636	160,350	38,694	314
Capital expenditures	50,825	24,745	105	116,017	52,130	123
Net income	97,523	45,352	115	184,367	20,546	797
Per share – basic	1.20	1.15	4	2.28	0.53	330
Per share – diluted	1.09	1.10	(1)	2.12	0.53	300

As at	Sep. 30, 2023	Dec. 31, 2022	Change
<i>(C\$000s)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(%)</i>
<i>(unaudited)</i>			
Cash and cash equivalents	23,308	8,498	174
Working capital, end of period	283,680	183,580	55
Total assets, end of period	1,178,071	995,753	18
Long-term debt, end of period	308,849	329,186	(6)
Total consolidated equity, end of period	596,141	422,972	41

(1) Adjusted EBITDA reflects a change in definition and excludes all foreign exchange gains and losses.

(2) Refer to "Non-GAAP Measures" on page 6 for further information.

(3) Effective January 1, 2023, the Company recorded expenditures related to fluid end components as an operating expense rather than as a capital expenditure. This change in accounting estimate was recorded on a prospective basis.

During the quarter, Calfrac:

- generated revenue of \$483.1 million, an increase of 10 percent from the third quarter in 2022 resulting primarily from higher activity in all operating divisions;
- reported third-quarter Adjusted EBITDA of \$91.3 million, which included \$11.9 million of maintenance expense related to fluid end components, versus \$94.3 million in the third quarter of 2022 (\$8.0 million of fluid end components capitalized);
- reported net income from continuing operations of \$97.5 million or \$1.09 per share diluted, which included a reversal of impairment of property, plant and equipment of \$41.6 million and a deferred tax recovery of \$9.0 million related to the improved business outlook in Canada, compared to net income of \$45.4 million or \$1.10 per share diluted during the third quarter in 2022;
- amended and restated its \$250.0 million credit facilities, which included an extension of the maturity date to the earlier of July 1, 2026 or six months prior to the maturity of the Company's Second Lien Notes on March 15, 2026;
- reduced its net debt by \$43.7 million, further reducing its Net Debt to EBITDA to 0.92:1.00;
- increased period-end working capital to \$283.7 million from \$183.6 million at December 31, 2022 due to a combination of higher revenue and geographical mix; and
- incurred capital expenditures from continuing operations of \$50.8 million, which included approximately \$33.2 million related to the Company's fracturing fleet modernization program.

**FINANCIAL OVERVIEW – CONTINUING OPERATIONS
THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 VERSUS 2022**

NORTH AMERICA

	Three Months Ended Sep. 30,			Nine Months Ended Sep. 30,		
	2023	2022	Change	2023	2022	Change
<i>(C\$000s, except operational and exchange rate information)</i>	(\$)	(\$)	(%)	(\$)	(\$)	(%)
<i>(unaudited)</i>						
Revenue	401,291	374,157	7	1,190,660	879,021	35
Adjusted EBITDA ⁽¹⁾	83,023	91,491	(9)	234,793	155,595	51
Adjusted EBITDA (%)	20.7	24.5	(16)	19.7	17.7	11
Fracturing revenue per job (\$)	43,633	44,832	(3)	43,480	38,390	13
Number of fracturing jobs	8,870	8,092	10	26,472	22,025	20
Active pumping horsepower, end of period (000s)	1,035	871	19	1,035	871	19
US\$/C\$ average exchange rate ⁽²⁾	1.3411	1.3056	3	1.3456	1.2830	5

⁽¹⁾ Refer to "Non-GAAP Measures" on page 6 for further information.

⁽²⁾ Source: Bank of Canada.

OUTLOOK

Calfrac benefited from the superior execution enabled by its centralized organizational structure in North America as it successfully navigated schedule gaps to generate one of its highest third-quarter Adjusted EBITDA margins since 2012. The Company increased the number of active Tier IV DGB units which are achieving significant diesel replacement rates. For the fourth quarter, the Company anticipates a decrease in activity across its operations in Canada driven by typical seasonality and customer budget exhaustion. However, Calfrac expects an increase in utilization across its United States operations due to the reallocation of customer capital programs from the third quarter to the fourth quarter stemming from recent strength in crude oil prices. Calfrac believes that its capital discipline and solid activity for its 15 fracturing fleets next year will support further fleet modernization investments and a continued reduction in long-term debt.

The industry-wide discipline demonstrated thus far in 2023 has been a welcome change compared to previous oilfield services cycles as companies idled underutilized equipment rather than sacrificing margins to gain market share. Calfrac expects similar fracturing activity across North America next year as operators maintain production. The Company believes that its strong customer relationships across all of its operating areas and growing fleet of next-generation fracturing equipment will drive improved shareholder returns over the long term.

THREE MONTHS ENDED SEPTEMBER 30, 2023 COMPARED TO THREE MONTHS ENDED SEPTEMBER 30, 2022

REVENUE

Revenue from Calfrac's North American operations increased to \$401.3 million during the third quarter of 2023 from \$374.2 million in the comparable quarter of 2022. The 7 percent increase in revenue was due to a 10 percent increase in the number of completed fracturing jobs, offset partially by a 3 percent period-over-period decrease in average job revenue. The increase in job count was mainly due to the Company operating 15 fracturing fleets during the quarter with more consistent utilization compared to an average of 13 operating fleets in the respective quarter of 2022. The slightly lower revenue per job was mainly a result of job mix as pricing remained relatively consistent with the same period in 2022. Coiled tubing revenue increased by 25 percent as compared to the third quarter in 2022 mainly due to higher utilization of Calfrac's six deep coiled tubing units. The 3 percent appreciation in the U.S. dollar also contributed to the higher reported revenue.

ADJUSTED EBITDA

The Company's operations in North America generated Adjusted EBITDA of \$83.0 million or 21 percent of revenue during the third quarter of 2023 compared to \$91.5 million or 24 percent of revenue in the same period in 2022. This decrease was primarily due to the change in accounting estimate that was adopted for fluid ends at the beginning of 2023. In the third quarter of 2023, Calfrac incurred \$10.5 million of maintenance expense related to fluid end components versus \$7.7 million of capital expenditures in the same quarter of 2022. However, utilization during the third quarter of 2023 was impacted by a reduction in activity, mainly in the United States, as a result of lower natural gas prices and lower crude oil prices during the second quarter of 2023, which resulted in the deferral of planned capital programs by some of the Company's clients.

NINE MONTHS ENDED SEPTEMBER 30, 2023 COMPARED TO NINE MONTHS ENDED SEPTEMBER 30, 2022

REVENUE

Revenue from Calfrac's North American operations increased significantly to \$1.2 billion during the first nine months of 2023 from \$879.0 million in the comparable period of 2022. The 35 percent increase in revenue can be attributed to a 20 percent increase in the number of fracturing jobs completed combined with a 13 percent increase in revenue per job period-over-period. The increase in job count was mainly due to the Company operating 15 fleets during the period with more consistent utilization compared to an average of 13.5 operating fleets in the comparable period in 2022. The higher revenue per job was mainly the result of job mix and improved pricing. Coiled tubing revenue also increased by 21 percent as compared to the first nine months in 2022 due to increased utilization for its six crewed units.

ADJUSTED EBITDA

The Company's operations in North America generated Adjusted EBITDA of \$234.8 million during the first nine months of 2023 compared to \$155.6 million in the same period in 2022. This increase in Adjusted EBITDA was largely driven by higher utilization of its fracturing and coiled tubing crews. The Company generated an Adjusted EBITDA margin of 20 percent versus 18 percent in the comparable period in 2022 through higher utilization combined with better realized pricing. In 2023, Calfrac's Adjusted EBITDA included \$26.3 million of maintenance expense related to fluid ends versus \$18.1 million of capital expenditures that were recorded in the comparable period in 2022.

ARGENTINA

	Three Months Ended Sep. 30,			Nine Months Ended Sep. 30,		
	2023	2022	Change	2023	2022	Change
<i>(C\$000s, except operational and exchange rate information)</i>						
<i>(unaudited)</i>						
Revenue	81,802	64,181	27	252,219	172,352	46
Adjusted EBITDA ⁽¹⁾	14,331	8,706	65	43,623	16,363	167
Adjusted EBITDA (%)	17.5	13.6	29	17.3	9.5	82
Fracturing revenue per job (\$)	78,634	84,843	(7)	83,242	70,133	19
Number of fracturing jobs	582	471	24	1,784	1,415	26
Active pumping horsepower, end of period (000s)	139	140	(1)	139	140	(1)
US\$/C\$ average exchange rate ⁽²⁾	1.3411	1.3056	3	1.3456	1.2830	5

⁽¹⁾ Refer to "Non-GAAP Measures" on page 6 for further information.

⁽²⁾ Source: Bank of Canada.

OUTLOOK

Calfrac's Argentina division continues to leverage its strong market position to produce significant year-over-year Adjusted EBITDA growth. The Company expects its recently demonstrated profitability to continue into the fourth quarter and throughout 2024 driven by robust utilization across all service lines in the Vaca Muerta shale play and the conventional basins of southern Argentina.

THREE MONTHS ENDED SEPTEMBER 30, 2023 COMPARED TO THREE MONTHS ENDED SEPTEMBER 30, 2022

REVENUE

Calfrac's Argentinean operations generated revenue of \$81.8 million during the third quarter of 2023 versus \$64.2 million in the comparable quarter in 2022 primarily due to higher activity across all service lines. The significant increase in revenue was due to the strategic repositioning of certain fracturing and cementing equipment from southern Argentina into the Vaca Muerta shale play during the first half of 2023. Coiled tubing revenue also increased due to an increase in overall activity with both existing and new customers.

ADJUSTED EBITDA

The Company's operations in Argentina generated Adjusted EBITDA of \$14.3 million during the third quarter of 2023 compared to \$8.7 million in the comparable quarter of 2022, while the Company's Adjusted EBITDA margins also improved to 18 percent from 14 percent. This improvement in Adjusted EBITDA was primarily due to the higher revenue base and changes in the Company's customer and geographic mix which resulted in higher profitability relative to the comparable period in 2022.

NINE MONTHS ENDED SEPTEMBER 30, 2023 COMPARED TO NINE MONTHS ENDED SEPTEMBER 30, 2022

REVENUE

Calfrac's Argentinean operations generated revenue of \$252.2 million during the first nine months of 2023 compared to \$172.4 million in the comparable period in 2022. Activity in the Vaca Muerta shale play continued to increase while activity in southern Argentina also achieved significant growth compared to the first nine months of 2022. Overall fracturing activity increased by 26 percent compared to the first nine months in 2022 while revenue per job was 19 percent higher primarily due to overall inflation in operating costs and better pricing that commenced during the second half of 2022 combined with a stronger U.S. dollar. Higher coiled tubing and cementing revenue also contributed to the overall increase in revenue. The number of coiled tubing jobs increased by 32 percent as activity increased in Neuquén and southern Argentina while revenue per job was 6 percent

higher primarily due to job mix and inflation. Cementing activity increased by 5 percent and revenue per job increased by 12 percent due to changes in job mix as a greater number of pre-fracturing projects, which are typically larger job sizes, were completed during the first nine months of 2023.

ADJUSTED EBITDA

The Company's operations in Argentina generated Adjusted EBITDA of \$43.6 million or 17 percent of revenue during the first nine months in 2023 versus \$16.4 million or 9 percent of revenue in the comparable period in 2022 primarily due to higher utilization and pricing across all service lines. Adjusted EBITDA in 2023 included \$4.7 million of maintenance expense related to fluid end components that would have been recorded as capital expenditures in 2022.

CAPITAL EXPENDITURES

	Three Months Ended Sep. 30,			Nine Months Ended Sep. 30,		
	2023	2022	Change	2023	2022	Change
(C\$000s)	(\$)	(\$)	(%)	(\$)	(\$)	(%)
North America	47,463	21,943	116	108,041	46,289	133
Argentina	3,362	2,802	20	7,976	5,841	37
Continuing Operations	50,825	24,745	105	116,017	52,130	123

Capital expenditures were \$50.8 million for the three months ended September 30, 2023 versus \$24.7 million in the comparable period in 2022. Calfrac's Board of Directors have approved a 2023 capital budget of approximately \$160.0 million, which excludes expenditures related to fluid end components as these have been recorded as maintenance expenses beginning in January 2023 for all continuing reporting segments. This change in accounting estimate was based on new information surrounding the useful life of these components.

SUMMARY OF QUARTERLY RESULTS – CONTINUING OPERATIONS

Three Months Ended	Dec. 31, 2021	Mar. 31, 2022	Jun. 30, 2022	Sep. 30, 2022	Dec. 31, 2022	Mar. 31, 2023	Jun. 30, 2023	Sep. 30, 2023
(C\$000s, except per share and operating data)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
(unaudited)	Revised ⁽¹⁾	Revised ⁽¹⁾	Revised ⁽¹⁾	Revised ⁽¹⁾				
Financial								
Revenue	229,661	294,524	318,511	438,338	447,847	493,323	466,463	483,093
Adjusted EBITDA ⁽¹⁾⁽²⁾⁽³⁾	8,382	22,763	40,734	94,289	75,954	83,794	87,785	91,286
Net income (loss)	(29,132)	(18,030)	(6,776)	45,352	14,757	36,313	50,531	97,523
Per share – basic	(0.77)	(0.47)	(0.18)	1.15	0.27	0.45	0.62	1.20
Per share – diluted	(0.77)	(0.47)	(0.18)	1.10	0.17	0.41	0.58	1.09
Capital expenditures ⁽³⁾	14,868	12,145	15,240	24,745	35,810	34,474	30,718	50,825

⁽¹⁾ Adjusted EBITDA reflects a change in definition and excludes all foreign exchange gains and losses.

⁽²⁾ Refer to "Non-GAAP Measures" on page 6 for further information.

⁽³⁾ Effective January 1, 2023, recorded expenditures related to fluid end components as an operating expense rather than as a capital expenditure. This change in accounting estimate was recorded on a prospective basis.

NON-GAAP MEASURES

Certain supplementary measures presented in this press release do not have any standardized meaning under IFRS and, because IFRS have been incorporated as Canadian generally accepted accounting principles (GAAP), these supplementary measures are also non-GAAP measures. These measures have been described and presented to provide shareholders and potential investors with additional information regarding the Company's financial results, liquidity and ability to generate funds to finance its operations. These measures may not be comparable to similar measures presented by other entities, and are explained below.

Adjusted EBITDA is defined as net income or loss for the period less interest, taxes, depreciation and amortization, foreign exchange losses (gains), non-cash stock-based compensation, and gains and losses that are extraordinary or non-recurring. Adjusted EBITDA is presented because it gives an indication of the results from the Company's principal business activities prior to consideration of how its activities are financed and the impact of foreign exchange, taxation and depreciation and amortization charges. Adjusted EBITDA for the period was calculated as follows:

	Three Months Ended		Nine Months Ended Sep.	
	2023	Sep. 30, 2022	2023	30, 2022
(C\$000s)	(\$)	(\$)	(\$)	(\$)
(unaudited)				
Net income from continuing operations	97,523	45,352	184,367	20,546
Add back (deduct):				
Depreciation	27,387	29,394	86,206	89,733
Foreign exchange losses (gains) ⁽²⁾	1,415	(7,106)	7,884	(6,704)
(Gain) loss on disposal of property, plant and equipment	(706)	(406)	(5,667)	4,382
Reversal of impairment of property, plant and equipment	(41,563)	—	(41,563)	—
Litigation settlements	—	8,258	(6,805)	11,258
Restructuring charges	1,059	597	2,991	1,563
Stock-based compensation	1,469	366	2,810	2,319
Interest	7,262	10,804	23,023	31,537
Income taxes	(2,560)	7,030	9,619	3,153

⁽¹⁾ For bank covenant purposes, EBITDA includes the deduction of an additional \$9.3 million of lease payments for the nine months ended September 30, 2023 (nine months ended September 30, 2022 – \$7.5 million) that would have been recorded as operating expenses prior to the adoption of IFRS 16.

⁽²⁾ Adjusted EBITDA reflects a change in definition effective October 1, 2022, and excludes all foreign exchange gains and losses.

The definition and calculation of the ratio of net debt to Adjusted EBITDA for the year ended December 31, 2022, is disclosed in Note 15 to the Company's year-end consolidated financial statements. The definition and calculation of this ratio for the twelve months ended September 30, 2023, is disclosed in Note 11 to the Company's interim financial statements for the corresponding period.

ADVISORIES

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements within the meaning of applicable securities laws. The use of any of the words "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "forecast" or similar words suggesting future outcomes, are forward-looking statements.

In particular, forward-looking statements in this press release include, but are not limited to, statements with respect to activity, demand, utilization and outlook for the Company's operating divisions in North America and Argentina; the supply and demand fundamentals of the pressure pumping industry; input costs, margin and service pricing trends and strategies; operating and financing strategies, performance, priorities, metrics and estimates, such as the Company's strategic priorities to maximize free cash flow, repay debt and capital investment plans, including the Company's fleet modernization plan and timing thereof; the Company's debt, liquidity and financial position; the Company's service quality and the Company's intentions and expectations with respect to the foregoing.

These statements are derived from certain assumptions and analyses made by the Company based on its experience and perception of historical trends, current conditions, expected future developments and other factors that it believes are appropriate in the circumstances, including, but not limited to, the economic and political environment in which the Company operates, including the current state and anticipated length of the pressure pumping market upcycle; the Company's expectations for its customers' capital budgets, demand for services and geographical areas of focus; the effect of unconventional oil and gas projects have had on supply and demand fundamentals for oil and natural gas; the effect of environmental factors on customer and investor preferences and capital deployment; the effect of the military conflict in the Ukraine and related international sanctions and counter-sanctions and restrictions by Russia on the Company's ownership and planned sale of the Russian division; industry equipment levels including the number of active fracturing fleets marketed by the Company's competitors and the timing of deployment of the Company's fleet upgrades; the Company's existing contracts and the status of current negotiations with key customers and suppliers; the continued effectiveness of cost reduction measures instituted by the Company; and the likelihood that the current tax and regulatory regime will remain substantially unchanged.

Forward-looking statements are subject to a number of known and unknown risks and uncertainties that could cause actual results to differ materially from the Company's expectations. Such risk factors include but are not limited to: (A) industry risks, including but not limited to, global economic conditions and the level of exploration, development and production for oil and natural gas in North America and Argentina; excess equipment levels; impacts of conservation measures and technological advances on the demand for the Company's services; hazards inherent in the industry; the actions of activist shareholders and the increasing reluctance of institutional investors to invest in the industry in which the Company operates; and an intensely competitive oilfield services industry; (B) business operations risks, including but not limited to, fleet reinvestment risk, including the ability of the Company to finance the capital necessary for equipment upgrades to support its operational needs while meeting government and customer requirements and preferences; difficulty retaining, replacing or adding personnel; failure to improve and adapt equipment, proprietary fluid chemistries and other products and services; reliance on equipment suppliers and fabricators for timely delivery and quality of equipment; a concentrated customer base; seasonal volatility and climate change; cybersecurity risks, and activism; (C) financial risks, including but not limited to, price escalation and availability of raw materials, diesel fuel and component parts; restrictions on the Company's access to capital, including the impacts of covenants under the Company's lending documents; direct and indirect exposure to volatile credit markets, including interest rate risk; fluctuations in currency exchange rates and increased inflation; actual results which are materially different from management estimates and assumptions; insufficient internal controls; and possible impacts on the Company's access to capital and common share price given a significant number of common shares are controlled by two directors of the Company; (D) geopolitical risks, including but not limited to, foreign operations exposure, including risks relating to unsettled political conditions, war, including the ongoing Russia and Ukraine conflict and any expansion of that conflict, foreign exchange rates and controls, and international trade and regulatory controls and sanctions; the impacts of a delay of sale or failure to sell the Company's discontinued operations in Russia, including failure to receive any applicable regulatory approvals and reputational risks; foreign legal actions and unknown consequences of such actions; and risk associated with compliance with applicable law; (E) legal and regulatory risks, including but not limited to, federal, provincial and state legislative and regulatory initiatives; health, safety and environmental laws and regulations; and legal and administrative proceedings; and (F) environmental, social and governance risks, including but not limited to, failure to effectively and timely address the energy transition; legal and regulatory initiatives to limit greenhouse gas emissions; and the direct and indirect costs of various existing and proposed climate change regulations. Further information about these and other risks and uncertainties are set forth in the Company's most recently filed Annual Information Form under the heading "Risk Factors" which is available on the SEDAR website at www.sedarplus.ca under Company's profile.

Consequently, all of the forward-looking statements made in this press release are qualified by these cautionary statements and there can be no assurance that actual results or developments anticipated by the Company will be realized, or that they will have the expected consequences or effects on the Company or its business or operations. These statements speak only as of the respective date of this press release or the document by reference herein. The Company assumes no obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or otherwise, except as required pursuant to applicable securities laws.

BUSINESS RISKS

The business of Calfrac is subject to certain risks and uncertainties. Prior to making any investment decision regarding Calfrac, investors should carefully consider, among other things, the risk factors set forth in the Company's most recently filed Annual Information Form under the heading "Risk Factors" which is available on the SEDAR website at www.sedarplus.ca under the Company's profile. Copies of the Annual Information Form may also be obtained on request without charge from Calfrac at Suite 500, 407 - 8th Avenue S.W., Calgary, Alberta, Canada, T2P 1E5, or at www.calfrac.com.

ADDITIONAL INFORMATION

Calfrac's common shares and warrants are publicly traded on the Toronto Stock Exchange under the trading symbols "CFW" and "CFW.WT", respectively.

Calfrac provides specialized oilfield services to exploration and production companies designed to increase the production of hydrocarbons from wells with continuing operations focused throughout western Canada, the United States and Argentina. During the first quarter of 2022, management committed to a plan to sell the Company's Russian division, resulting in the associated assets and liabilities being classified as held for sale and

presented in the Company's financial statements as discontinued operations. The results of the Company's discontinued operations are excluded from the discussion and figures presented above unless otherwise noted. See Note 3 to the Company's interim consolidated financial statements for the three and nine months ended September 30, 2023 and Note 4 to the Company's audited consolidated financial statements for the year ended December 31, 2022 for additional information on the Company's discontinued operations.

Further information regarding Calfrac Well Services Ltd., including the most recently filed Annual Information Form, can be accessed on the Company's website at www.calfrac.com or under the Company's public filings found at www.sedarplus.ca.

THIRD QUARTER CONFERENCE CALL

Calfrac will be conducting a conference call for interested analysts, brokers, investors and news media representatives to review its 2023 third-quarter results at 10:00 a.m. (Mountain Time) on Wednesday, November 8, 2023. To participate in the conference call, please register at the URL link below. Once registered, you will receive a dial-in number and a unique PIN, which will allow you to ask questions.

<https://register.vevent.com/register/BI9b50099938704de9bce508123d789223>

The call will also be webcast and can be accessed through the link below. A replay of the webcast call will also be available on Calfrac's website for at least 90 days.

<https://edge.media-server.com/mmc/p/wqa26h28>

CONSOLIDATED BALANCE SHEETS

	September 30, 2023	December 31, 2022
	(\$)	(\$)
<i>(C\$000s) (unaudited)</i>		
ASSETS		
Current assets		
Cash and cash equivalents	23,308	8,498
Accounts receivable	331,429	238,769
Inventories	121,446	108,866
Prepaid expenses and deposits	14,476	12,297
	490,659	368,430
Assets classified as held for sale	30,932	45,940
	521,591	414,370
Non-current assets		
Property, plant and equipment	604,386	543,475
Right-of-use assets	23,094	22,908
Deferred income tax assets	29,000	15,000
	656,480	581,383
Total assets	1,178,071	995,753
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	189,408	171,603
Income taxes payable	4,492	964
Current portion of long-term debt	2,594	2,534
Current portion of lease obligations	10,485	9,749
	206,979	184,850
Liabilities directly associated with assets classified as held for sale	17,410	18,852
	224,389	203,702
Non-current liabilities		
Long-term debt	308,849	329,186
Lease obligations	12,364	13,443
Deferred income tax liabilities	36,328	26,450
	357,541	369,079
Total liabilities	581,930	572,781
Capital stock	867,523	865,059
Conversion rights on convertible notes	212	212
Contributed surplus	72,629	70,141
Warrants	35,384	36,558
Accumulated deficit	(402,374)	(580,544)
Accumulated other comprehensive income	22,767	31,546
Total equity	596,141	422,972
Total liabilities and equity	1,178,071	995,753

CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended		Nine Months Ended	
	Sep. 30,		Sep. 30,	
	2023	2022	2023	2022

<i>(C\$000s, except per share data) (unaudited)</i>	(\$)	(\$)	(\$)	(\$)
Revenue	483,093	438,338	1,442,879	1,051,373
Cost of sales	403,803	365,536	1,222,373	956,526
Gross profit	79,290	72,802	220,506	94,847
Expenses				
Selling, general and administrative	17,919	17,128	42,843	41,933
Foreign exchange losses (gains)	1,415	(7,106)	7,884	(6,704)
(Gain) loss on disposal of property, plant and equipment	(706)	(406)	(5,667)	4,382
Reversal of impairment of property, plant and equipment	(41,563)	—	(41,563)	—
Interest	7,262	10,804	23,023	31,537
	(15,673)	20,420	26,520	71,148
Income before income tax	94,963	52,382	193,986	23,699
Income tax expense (recovery)				
Current	3,240	1,647	13,747	2,633
Deferred	(5,800)	5,383	(4,128)	520
	(2,560)	7,030	9,619	3,153
Net income from continuing operations	97,523	45,352	184,367	20,546
Net (loss) income from discontinued operations	(10,951)	4,746	(6,197)	(28,178)
Net income (loss) for the period	86,572	50,098	178,170	(7,632)
Earnings (loss) per share – basic				
Continuing operations	1.20	1.15	2.28	0.53
Discontinued operations	(0.14)	0.12	(0.08)	(0.73)
	1.07	1.27	2.20	(0.20)
Earnings (loss) per share – diluted				
Continuing operations	1.09	1.10	2.12	0.53
Discontinued operations	(0.14)	0.10	(0.08)	(0.73)
	0.97	1.21	2.05	(0.07)

CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(C\$000s) (unaudited)</i>	Three Months Ended		Nine Months Ended	
	2023	2022	2023	2022
	(\$)	(\$)	(\$)	(\$)
CASH FLOWS PROVIDED BY (USED IN)				
OPERATING ACTIVITIES				
Net income (loss) for the period	86,572	50,098	178,170	(7,632)
Adjusted for the following:				
Depreciation	27,387	29,394	86,206	89,932
Stock-based compensation	1,469	366	2,810	2,319
Unrealized foreign exchange (gains) losses	(2,650)	(9,629)	724	(18,697)
(Gain) loss on disposal of property, plant and equipment	(709)	(409)	(5,694)	4,378
(Reversal of) impairment of property, plant and equipment	(41,024)	—	(41,024)	5,634
Impairment of inventory	985	1,201	3,677	28,749
Impairment of other assets	14,768	(2,312)	17,454	7,336
Interest	7,171	10,801	22,841	31,534
Interest paid	(9,254)	(13,229)	(20,739)	(27,693)
Deferred income taxes	(5,800)	5,383	(4,128)	520
Changes in items of working capital	22,349	(57,911)	(79,947)	(77,686)
Cash flows provided by operating activities	101,264	13,753	160,350	38,694
FINANCING ACTIVITIES				
Bridge loan proceeds	—	—	—	15,000
Issuance of long-term debt, net of debt issuance costs	22,029	12,825	73,485	19,782
Bridge loan repayments	—	—	—	(15,000)
Long-term debt repayments	(50,000)	(15,000)	(100,000)	(15,000)
Lease obligation principal repayments	(2,613)	(2,328)	(8,412)	(6,587)
Proceeds on issuance of common shares from the exercise of warrants and stock options	610	621	967	1,884
Cash flows (used in) provided by financing activities	(29,974)	(3,882)	(33,960)	79
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	(50,121)	(18,479)	(128,447)	(45,588)
Proceeds on disposal of property, plant and equipment	695	882	22,383	1,657
Proceeds on disposal of right-of-use assets	138	716	1,247	1,627
Cash flows used in investing activities	(49,288)	(16,881)	(104,817)	(42,304)

Effect of exchange rate changes on cash and cash equivalents	1,841	7,388	(9,369)	27,811
Increase in cash and cash equivalents	23,843	378	12,204	24,280
Cash and cash equivalents (bank overdraft), beginning of period	6,754	22,551	18,393	(1,351)
Cash and cash equivalents, end of period	30,597	22,929	30,597	22,929
Included in the cash and cash equivalents per the balance sheet	23,308		23,308	
Included in the assets held for sale/discontinued operations	7,289		7,289	

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