Calfrac Reports Fourth Quarter 2024 Results

March 13, 2025

CALGARY, Alberta, March 13, 2025 (GLOBE NEWSWIRE) -- **Calfrac Well Services Ltd. ("Calfrac" or "the Company") (TSX: CFW)** announces its financial and operating results for the three months and year ended December 31, 2024. The following press release should be read in conjunction with the management's discussion and analysis and annual consolidated financial statements and notes thereto as at December 31, 2024. 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, 2024.

CEO'S MESSAGE

Calfrac achieved revenue of $381.2 million during the fourth quarter, an 11 percent decline from the third quarter, primarily due to a normal seasonal slowdown in activity. During 2024, Calfrac improved upon its year-over-year safety record as it finished the year with a Total Recordable Injury Frequency ("TRIF") of 0.92, as compared to 1.05 in 2023. Calfrac's North American customer landscape continues to be impacted by consolidation and asset divestitures within the E&P industry. The Company expects to navigate these evolving market conditions through 2025 by prudently deploying capital and maximizing net income to generate sustainable returns for its shareholders.

Calfrac's Chief Executive Officer, Pat Powell commented: "I am happy with how the Calfrac team rebounded in 2024 after a very challenging first quarter in North America, and I am confident that we can successfully navigate the current headwinds while capitalizing on the growth opportunities in Argentina with the deployment of another large fracturing fleet in early 2025."

SELECT FINANCIAL HIGHLIGHTS – CONTINUING OPERATIONS

	Three Months Ended Dec. 31,			Years Ended Dec. 31,		
	2024	2023	Change	**2024**	2023	Change
(C$000s, except per share amounts) *(unaudited)*	***($)***	*($)*	*(%)*	***($)***	*($)*	*(%)*
Revenue	**381,230**	421,402	(10)	**1,567,482**	1,864,281	(16)
Adjusted EBITDA[1]	**34,512**	62,591	(45)	**190,994**	325,456	(41)
Consolidated cash flows provided by operating activities	**84,471**	121,284	(30)	**127,184**	281,634	(55)
Capital expenditures	**32,955**	49,397	(33)	**170,289**	165,414	3
Net (loss) income	**(6,424)**	13,202	NM	**8,535**	197,569	(96)
Per share – basic	**(0.07)**	0.16	NM	**0.10**	2.43	(96)
Per share – diluted	**(0.07)**	0.15	NM	**0.10**	2.24	(96)

As at	**Dec. 31, 2024**	Dec. 31, 2023	Change
(C$000s) *(unaudited)*	***($)***	*($)*	*(%)*
Cash and cash equivalents	**44,045**	34,140	29
Working capital, end of year[2]	**273,901**	236,392	16
Total assets, end of period	**1,234,840**	1,126,197	10
Long-term debt, end of period	**320,908**	250,777	28
Net debt[1][3]	**300,347**	241,065	25
Total consolidated equity, end of period	**653,330**	615,903	6

[1] *Refer to "Non-GAAP Measures" on page 7 for further information.*
[2] *Working capital excludes the current portion of long-term debt of $150.0 million.*
[3] *Refer to note 14 of the consolidated annual financial statements for further information.*

FOURTH QUARTER OVERVIEW

In the fourth quarter of 2024, the Company:

- generated revenue of $381.2 million, a decrease of 10 percent from the comparative quarter in 2023 primarily due to lower activity and pricing in North America, offset partially by activity with its new offshore coiled tubing unit in Argentina;
- reported Adjusted EBITDA of $34.5 million versus $62.6 million in the fourth quarter of 2023 primarily due to the lower revenue base in North America;

- recorded a $12.7 million write-off of property, plant and equipment related to specifically identified U.S. fracturing assets;
- revised its salvage value estimate for certain of its fracturing equipment components to align with current operational experience, which resulted in a one-time depreciation charge of $12.2 million related to fully depreciated components;
- recorded an income tax recovery of $15.6 million, which was mainly related to the conversion of non-repayable intercompany debt into equity in Argentina and lower profitability in the United States;
- reported a net loss of $6.4 million or $0.07 per share diluted compared to a net income of $13.2 million or $0.15 per share diluted in the comparable quarter in 2023;
- reported period-end working capital of $273.9 million, which includes a cash balance of $44.0 million versus $236.4 million at December 31, 2023; and
- incurred capital expenditures of $33.0 million which included approximately $21.0 million to grow the fracturing fleet in Argentina and continue its Tier IV fleet modernization program in North America.

FINANCIAL OVERVIEW – CONTINUING OPERATIONS
THREE MONTHS AND YEARS ENDED DECEMBER 31, 2024 VERSUS 2023

NORTH AMERICA

	Three Months Ended Dec. 31,			Years Ended Dec. 31,		
	2024	2023	Change	**2024**	2023	Change
(C$000s, except operational and exchange rate information)	***($)***	*($)*	*(%)*	***($)***	*($)*	*(%)*
(unaudited)						
Revenue	**289,883**	331,688	(13)	**1,161,588**	1,522,348	(24)
Adjusted EBITDA[1]	**23,121**	48,070	(52)	**123,764**	282,863	(56)
Adjusted EBITDA (%)[1]	**8.0**	14.5	(45)	**10.7**	18.6	(42)
Fracturing revenue per job ($)	**35,238**	38,678	(9)	**35,481**	42,329	(16)
Number of fracturing jobs	**7,975**	8,343	(4)	**31,766**	34,815	(9)
Active pumping horsepower, end of year (000s)	**1,018**	1,034	(2)	**1,018**	1,034	(2)
US$/C$ average exchange rate[2]	**1.3982**	1.3622	3	**1.3698**	1.3497	1

[1] Refer to "Non-GAAP Measures" on page 7 for further information.
[2] Source: Bank of Canada.

OUTLOOK

The Company's North American outlook for the upcoming year remains stable despite the current uncertainty surrounding the tariff regimes in Canada and the United States as well as the significant E&P industry consolidation that has occurred over the past few years. With the completion of the Coastal GasLink Pipeline, the new LNG Canada project that is expected to start exporting by the second half of 2025, and the expanded Trans Mountain Pipeline now in commercial service, the market fundamentals for completion services in Canada remains constructive. With these projects, Canada now has additional capacity to export natural gas and oil, which should have a positive impact on the cash flows within the energy industry. Calfrac continues to have a strong core customer base in Canada and expects that fracturing and coiled tubing activity in 2025 will increase slightly over the prior year despite the uncertain macro-economic backdrop. In particular, the Company imports certain products, such as sand and chemicals and component parts from the United States, to support its Canadian operations which could be impacted by the recently implemented tariffs. As a result, Calfrac is evaluating alternatives and the availability of applicable tariffs exemptions for products and parts that are imported from the United States.

As experienced over the last couple of years, activity in the Rockies region of the United States continues to be very challenging during the first quarter due to limited customer activity, resulting from the higher costs of operating in extreme cold weather. To address these seasonal challenges, the Company reduced its operating footprint to six active fracturing fleets to begin the first quarter. Financial results in the United States are expected to improve throughout the year as utilization is anticipated to increase from the first quarter. The outlook for natural gas prices has improved from recent years and consequently, the Company recommenced operations in the Appalachian basin in January with a project that is expected to continue into the third quarter. The Company is also exploring further opportunities to expand its operating scale in this region.

The Company made further progress on its equipment modernization program in North America and exited the quarter with 66 Tier IV Dynamic Gas Blending ("DGB") pumps operating in the field, which was the equivalent of four Tier IV DGB fleets. By the end of the first quarter of 2025, Calfrac expects to operate the equivalent of five Tier IV DGB fleets in North America with the completion of its 2024 capital program. Inclusive of the Company's recent capital investments in next generation pumping technology, a significant portion of its North American crewed fleets were dual-fuel capable at the end of 2024.

THREE MONTHS ENDED DECEMBER 31, 2024 COMPARED TO THREE MONTHS ENDED DECEMBER 31, 2023

REVENUE

Revenue from Calfrac's North American operations decreased to $289.9 million during the fourth quarter of 2024 from $331.7 million in the comparable quarter of 2023. The Company's operations in North America had a strong start to the quarter, but witnessed a slow-down in activity as the quarter progressed due to a combination of customer budget exhaustion and a normal seasonal slowdown in December. The Company operated an average of 13 fleets during the fourth quarter in 2024 compared to 15 fleets in the comparable quarter of 2023 resulting in a 4 percent reduction in fracturing jobs completed. Pricing in the United states was lower relative to the comparable quarter in 2023, which contributed to the 13 percent reduction in revenue. Coiled tubing revenue was consistent with the fourth quarter in 2023 as slightly lower activity was offset by the completion of larger jobs.

ADJUSTED EBITDA

The Company's operations in North America generated Adjusted EBITDA of $23.1 million or 8 percent of revenue during the fourth quarter of 2024 compared to $48.1 million or 14 percent of revenue in the same period in 2023. This decrease was primarily due to the decline in fracturing fleet utilization and lower pricing in the United States.

YEAR ENDED DECEMBER 31, 2024 COMPARED TO YEAR ENDED DECEMBER 31, 2023

REVENUE

Revenue from Calfrac's North American operations decreased to $1.2 billion in 2024 from $1.5 billion in 2023. The 24 percent decrease in revenue was primarily due to lower activity in the United States, especially during the first quarter in the Rockies region, combined with lower pricing. In response to these market conditions, Calfrac idled two fracturing fleets in February and operated an average of 13 fleets in North America during 2024 as compared to 15 fleets in 2023. The third quarter of 2024 began slower than the prior year in North America, but gained momentum as the year progressed with the Company operating at near full utilization in September through to the end of November. After which, activity slowed due to a combination of customer budget exhaustion and a normal seasonal slowdown in December. In addition, activity for the Company's coiled tubing operations decreased by 29 percent from 2023 due to lower demand for its six crewed units.

ADJUSTED EBITDA

The Company's operations in North America generated Adjusted EBITDA of $123.8 million during 2024 compared to $282.9 million in 2023. This decrease in Adjusted EBITDA was largely driven by lower fracturing and coiled tubing utilization in 2024 as well as lower overall pricing levels in the United States. However, utilization was particularly strong for Calfrac's fracturing fleets operating in Canada during May and June, as the completion programs of its core clients significantly increased.

ARGENTINA

	Three Months Ended Dec. 31,			Years Ended Dec. 31,		
	2024	2023	Change	**2024**	2023	Change
(C$000s, except operational and exchange rate information)	***($)***	*($)*	*(%)*	***($)***	*($)*	*(%)*
(unaudited)						
Revenue	**91,347**	89,714	2	**405,894**	341,933	19
Adjusted EBITDA[(1)]	**15,636**	19,946	(22)	**83,858**	63,569	32
Adjusted EBITDA (%)[(1)]	**17.1**	22.2	(23)	**20.7**	18.6	11
Fracturing revenue per job ($)	**101,626**	75,225	35	**87,309**	80,989	8
Number of fracturing jobs	**471**	697	(32)	**2,561**	2,481	3
Active pumping horsepower, end of period (000s)	**137**	139	(1)	**137**	139	(1)
US$/C$ average exchange rate[(2)]	**1.3982**	1.3622	3	**1.3698**	1.3497	1

[(1)] Refer to "Non-GAAP Measures" on page 7 for further information.
[(2)] Source: Bank of Canada.

OUTLOOK

Argentina continued to demonstrate operational and financial strength by achieving revenue and Adjusted EBITDA growth from 2023 of 19 percent and 32 percent, respectively. During the past year, Calfrac invested approximately $30.0 million of capital expenditures to expand its fracturing fleet capacity in the Vaca Muerta shale play and began operating another large fracturing fleet during the first quarter of 2025. As a result, activity and financial performance during the first quarter of 2025 is expected to be very strong, building on the significant momentum generated in 2024.

THREE MONTHS ENDED DECEMBER 31, 2024 COMPARED TO THREE MONTHS ENDED DECEMBER 31, 2023

REVENUE

Calfrac's Argentinean operations generated revenue of $91.3 million during the fourth quarter of 2024 versus $89.7 million in the comparable quarter in 2023. Activity from the Company's new offshore coiled tubing unit contributed to the increased revenue during the fourth quarter. However, fracturing revenue and activity were hampered by unplanned downtime in the quarter due to customer well issues.

ADJUSTED EBITDA

The Company's operations in Argentina generated Adjusted EBITDA of $15.6 million during the fourth quarter of 2024 compared to $19.9 million in the same quarter of 2023, while the Company's Adjusted EBITDA margins decreased to 17 percent from 22 percent. This decrease was primarily due to the unplanned downtime experienced during October.

YEAR ENDED DECEMBER 31, 2024 COMPARED TO YEAR ENDED DECEMBER 31, 2023

REVENUE

Calfrac's Argentinean operations generated revenue of $405.9 million during 2024 compared to $341.9 million in 2023 as the Company demonstrated strong activity growth across all service lines. The primary driver for the increase in revenue was higher fracturing activity in the Vaca Muerta shale play combined with the commencement of its offshore coiled tubing operations that began during the third quarter. Cementing revenue also increased due to the bundled nature of the Company's contracted services in the Vaca Muerta shale play.

ADJUSTED EBITDA

The Company's operations in Argentina generated Adjusted EBITDA of $83.9 million or 21 percent of revenue during 2024 versus $63.6 million or 19 percent of revenue in 2023 mainly due to a larger operating presence in the Vaca Muerta shale play during the third quarter and, to a lesser degree, the commencement of offshore coiled tubing operations during the third quarter.

SUMMARY OF QUARTERLY RESULTS – CONTINUING OPERATIONS

Three Months Ended	Mar. 31, 2023	Jun. 30, 2023	Sep. 30, 2023	Dec. 31, 2023	Mar. 31, 2024	Jun. 30, 2024	Sep. 30, 2024	**Dec. 31, 2024**
(C$000s, except per share and operating data)	*($)*	*($)*	*($)*	*($)*	*($)*	*($)*	*($)*	***($)***
(unaudited)								

Financial								
Revenue	493,323	466,463	483,093	421,402	330,096	426,047	430,109	**381,230**
Adjusted EBITDA[1]	83,794	87,785	91,286	62,591	26,057	65,386	65,039	**34,512**
Net income (loss)	36,313	50,531	97,523	13,202	(2,903)	24,549	(6,687)	**(6,424)**
Per share – basic	0.45	0.62	1.20	0.16	(0.03)	0.29	(0.08)	**(0.07)**
Per share – diluted	0.41	0.58	1.09	0.15	(0.03)	0.29	(0.08)	**(0.07)**
Capital expenditures	34,474	30,718	50,825	49,397	48,072	66,753	22,509	**32,955**

[1] *Refer to "Non-GAAP Measures" on page 7 for further information.*

CAPITAL EXPENDITURES – CONTINUING OPERATIONS

	Three Months Ended Dec. 31,			**Years Ended Dec. 31,**		
	2024	2023	Change	**2024**	2023	Change
(C$000s)	***($)***	*($)*	*(%)*	***($)***	*($)*	*(%)*
North America	**26,691**	45,845	(42)	**135,232**	153,886	(12)
Argentina	**6,264**	3,552	76	**35,057**	11,528	204
Continuing Operations	**32,955**	49,397	(33)	**170,289**	165,414	3

Capital expenditures were $33.0 million for the three months ended December 31, 2024, which included $21.0 million related to expansion capital in Argentina and the Company's fracturing fleet modernization program in North America versus $49.4 million in the comparable period in 2023.

Calfrac's Board of Directors approved a 2025 capital budget totalling approximately $135.0 million. The program includes approximately $50.0 million to facilitate the expansion of the Company's fracturing operations in the Vaca Muerta shale play in Argentina that will be funded locally from cash flow. The 2025 Argentina capital program includes additional fracturing pumping units and an expansion of its deep coiled tubing capabilities. The balance of the 2025 program will fund maintenance capital for all operating divisions as well as additional investments in the North American Tier IV fleet modernization program and coiled tubing fleet. Due to a delay in spending related to the Company's 2024 capital program, approximately $30.0 million of additional capital expenditures, mainly related to the planned expansion in Argentina, will now occur in 2025.

SUBSEQUENT EVENTS

Subsequent to the end of the fourth quarter, an amendment to the revolving credit facility agreement was executed with the Company's lending syndicate to shorten the springing maturity date to January 15, 2026 from September 15, 2025, which is two months prior to the maturity date of the Second Lien Notes.

On March 4, 2025, the Trump administration in the United States announced and implemented new tariffs on the imports of goods from Canada into the United States. Canada responded with retaliatory tariffs against goods imported into Canada from the United States, including certain items that are integral to fracturing operations. Subsequent to the implementation of these tariffs, the U.S provided certain exemptions on goods that meet the criteria for the United States-Mexico-Canada Agreement ("USMCA") preferential tariff rate. The impact of the tariffs on completions activity in both the United States and Canada is uncertain at this time, however, the Company is evaluating alternatives and applicable tariff exemptions for products and parts that are imported from the United States to support its Canadian operations. The Company will continue to monitor the dynamic situation and seek to implement mitigation measures to limit the impact of the tariffs on its operations as the circumstances evolve.

NON-GAAP MEASURES

Certain supplementary measures presented in this press release, including Adjusted EBITDA, Adjusted EBITDA percentage and Net Debt 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 Dec. 31,		**Years Ended Dec. 31,**	
	2024	2023	**2024**	2023
(C$000s)	***($)***	*($)*	***($)***	*($)*
(unaudited)				
Net (loss) income from continuing operations	**(6,424)**	13,202	**8,535**	197,569
Add back (deduct):				
Depreciation	**45,021**	30,435	**135,886**	116,641
Foreign exchange (gains) losses	**(8,723)**	14,494	**(4,145)**	22,378
Loss (gain) on disposal of property, plant and equipment	**1,031**	1,042	**863**	(4,625)
Write-off of property, plant and equipment	**12,690**	—	**12,690**	—
Reversal of impairment of property, plant and equipment	**—**	—	**—**	(41,563)
Litigation settlements	**—**	—	**—**	(6,805)
Restructuring charges	**5,062**	—	**10,617**	2,991
Stock-based compensation	**(6,747)**	2,307	**(1,173)**	5,117
Interest	**8,191**	6,671	**31,206**	29,694
Income taxes	**(15,589)**	(5,560)	**(3,485)**	4,059
Adjusted EBITDA from continuing operations	**34,512**	62,591	**190,994**	325,456
Less: IFRS 16 lease payments	**(3,284)**	(3,183)	**(13,172)**	(12,528)

Less: Argentina EBITDA threshold adjustment[1]	**(3,634)**	—	**(51,985)**	—
Bank EBITDA for covenant purposes	**27,594**	59,408	**125,837**	312,928

[1] *Refer to note 6 of the Company's consolidated annual financial statements for the year ended December 31, 2024.*

Adjusted EBITDA percentage is a non-GAAP financial ratio that is determined by dividing Adjusted EBITDA by revenue for the corresponding period.

Net Debt is defined as long-term debt less unamortized debt issuance costs plus lease obligations, less cash and cash equivalents from continuing operations. The calculation of net debt is disclosed in note 14 to the Company's annual financial statements for the corresponding period.

OTHER NON-STANDARD FINANCIAL TERMS

MAINTENANCE AND EXPANSION CAPITAL

Maintenance capital refers to expenditures in respect of capital additions, replacements or improvements required to maintain ongoing business operations. Expansion capital refers to expenditures primarily for new items, upgrades and/or equipment that will expand the Company's revenue and/or reduce its expenditures through operating efficiencies. The determination of what constitutes maintenance capital expenditures versus expansion capital involves judgement by management.

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 are publicly traded on the Toronto Stock Exchange under the trading symbol "CFW".

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 4 to the Company's annual consolidated financial statements for the year ended December 31, 2024 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.

FOURTH QUARTER CONFERENCE CALL

Calfrac will be conducting a conference call for interested analysts, brokers, investors and news media representatives to review its 2024 fourth-quarter results at 10:00 a.m. MT (12:00 p.m. ET) on Thursday, March 13, 2025.

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://onlinexperiences.com/Launch/QReg/ShowUUID=DE553537-723A-44F8-837E-F9A9689F3C2F&LangLocaleID=1033

To participate in the Q&A session, you may dial-in (toll free) 1-800-717-1738 (or at 1-646-307-1865 for international participants) fifteen (15) minutes prior to the start of the call and ask for the Calfrac Well Services Ltd. 2024 Fourth Quarter Earnings Release Conference Call to register.

CONSOLIDATED BALANCE SHEETS

	As at December 31,	
	2024	2023
(C$000s)	***($)***	*($)*
ASSETS		
Current assets		
Cash and cash equivalents	**44,045**	34,140
Accounts receivable	**251,108**	243,187
Income taxes recoverable	**—**	794
Inventories	**145,506**	123,015
Prepaid expenses and deposits	**26,452**	22,799
	467,111	423,935
Assets classified as held for sale	**45,335**	34,084
	512,446	458,019
Non-current assets		
Property, plant and equipment	**673,381**	614,555
Right-of-use assets	**20,013**	24,623
Deferred income tax assets	**29,000**	29,000
	722,394	668,178
Total assets	**1,234,840**	1,126,197
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**173,974**	176,817

Income taxes payable	**9,700**	—
Current portion of long-term debt	**150,000**	—
Current portion of lease obligations	**9,536**	10,726
	343,210	187,543
Liabilities directly associated with assets classified as held for sale	**30,945**	20,858
	374,155	208,401
Non-current liabilities		
Long-term debt	**170,908**	250,777
Lease obligations	**13,948**	13,702
Deferred income tax liabilities	**22,499**	37,414
	207,355	301,893
Total liabilities	**581,510**	510,294
Capital stock	**911,785**	910,908
Contributed surplus	**77,159**	78,667
Accumulated deficit	**(379,490)**	(389,872)
Accumulated other comprehensive income	**43,876**	16,200
Total equity	**653,330**	615,903
Total liabilities and equity	**1,234,840**	1,126,197

CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended Dec. 31,		**Years Ended Dec. 31,**	
	2024	2023	**2024**	2023
(C$000s, except per share data)	***($)***	*($)*	***($)***	*($)*
Revenue	**381,230**	421,402	**1,567,482**	1,864,281
Cost of sales	**379,630**	373,782	**1,456,994**	1,596,155
Gross profit	**1,600**	47,620	**110,488**	268,126
Expenses				
Selling, general and administrative	**10,424**	17,771	**64,824**	60,614
Foreign exchange (gains) losses	**(8,723)**	14,494	**(4,145)**	22,378
Loss (gain) on disposal of property, plant and equipment	**1,031**	1,042	**863**	(4,625)
Write-off of property, plant and equipment	**12,690**	—	**12,690**	—
Reversal of impairment of property, plant and equipment	**—**	—	**—**	(41,563)
Interest, net	**8,191**	6,671	**31,206**	29,694
	23,613	39,978	**105,438**	66,498
(Loss) income before income tax	**(22,013)**	7,642	**5,050**	201,628
Income tax (recovery) expense				
Current	**(6,421)**	(7,501)	**14,096**	6,246
Deferred	**(9,168)**	1,941	**(17,581)**	(2,187)
	(15,589)	(5,560)	**(3,485)**	4,059
Net (loss) income from continuing operations	**(6,424)**	13,202	**8,535**	197,569
Net income (loss) from discontinued operations	**1,297**	(700)	**1,847**	(6,897)
Net (loss) income	**(5,127)**	12,502	**10,382**	190,672
Earnings (loss) per share – basic				
Continuing operations	**(0.07)**	0.16	**0.10**	2.43
Discontinued operations	**0.02**	(0.01)	**0.02**	(0.08)
	(0.07)	0.15	**0.12**	2.35
Earnings (loss) per share – diluted				
Continuing operations	**(0.07)**	0.15	**0.10**	2.24
Discontinued operations	**0.02**	(0.01)	**0.02**	(0.08)
	(0.07)	0.14	**0.12**	2.16

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended Dec. 31,		**Years Ended Dec. 31,**	
	2024	2023	**2024**	2023
(C$000s)	***($)***	*($)*	***($)***	*($)*
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Net (loss) income	**(5,127)**	12,502	**10,382**	190,672
Adjusted for the following:				
Depreciation	**45,021**	30,435	**135,886**	116,641
Stock-based compensation	**(6,747)**	2,307	**(1,173)**	5,117

Unrealized foreign exchange (gains) losses	**(7,533)**	16,039	**867**	16,763
Loss (gain) on disposal of property, plant and equipment	**1,030**	1,027	**846**	(4,667)
Write-off of property, plant and equipment	**12,690**	—	**12,690**	—
Impairment (reversal of impairment) of property, plant and equipment	**526**	1,576	**2,293**	(39,448)
Impairment of inventory	**2,187**	1,889	**11,761**	5,566
Impairment of other assets	**1,552**	2,603	**12,120**	20,057
Interest	**7,996**	6,568	**30,501**	29,409
Interest paid	**(3,217)**	(356)	**(28,634)**	(21,095)
Deferred income taxes	**(9,168)**	1,941	**(17,581)**	(2,187)
Changes in items of working capital	**45,261**	44,753	**(42,774)**	(35,194)
Cash flows provided by operating activities	**84,471**	121,284	**127,184**	281,634
FINANCING ACTIVITIES				
Issuance of long-term debt, net of debt issuance costs	**—**	18,717	**119,966**	92,202
Long-term debt repayments	**(40,000)**	(77,453)	**(65,000)**	(177,453)
Lease obligation principal repayments	**(2,854)**	(2,805)	**(11,564)**	(11,217)
Proceeds on issuance of common shares from the exercise of warrants and stock options	**259**	11,369	**542**	12,336
Cash flows (used in) provided by financing activities	**(42,595)**	(50,172)	**43,944**	(84,132)
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	**(35,794)**	(40,190)	**(186,132)**	(168,637)
Proceeds on disposal of property, plant and equipment	**510**	163	**14,725**	22,546
Proceeds on disposal of right-of-use assets	**699**	74	**1,754**	1,321
Cash flows used in investing activities	**(34,585)**	(39,953)	**(169,653)**	(144,770)
Effect of exchange rate changes on cash and cash equivalents	**11,592**	(16,566)	**4,111**	(25,935)
Increase in cash and cash equivalents	**18,883**	14,593	**5,586**	26,797
Cash and cash equivalents, beginning of period	**31,893**	30,597	**45,190**	18,393
Cash and cash equivalents, end of period	**50,776**	45,190	**50,776**	45,190
Included in the cash and cash equivalents per the balance sheet	**44,045**	34,140	**44,045**	34,140
Included in the assets held for sale/discontinued operations	**6,731**	11,050	**6,731**	11,050

ADVISORIES

FORWARD-LOOKING STATEMENTS

In order to provide Calfrac shareholders and potential investors with information regarding the Company and its subsidiaries, including management's assessment of Calfrac's plans and future operations, certain statements contained in this press release, including statements that contain words such as "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 or forward-looking information within the meaning of applicable securities laws (collectively, "forward-looking statements").

In particular, forward-looking statements in this press release include, but are not limited to, statements with respect to the expectations regarding trends in, and growth prospects of, the global oil and gas industry; activity, demand, utilization and outlook for the Company's continuing operations, including the potential impacts of, and mitigation strategies for, the tariffs implemented by the U.S. and Canada on the Company's North American segment and the strong activity and profitability outlook for the Argentina segment; 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 prudently deploy capital and maximize returns to shareholders; and capital investment plans, including additional investments in Argentina and the progress of the Company's fleet modernization plan and the timing of deployment of additional Tier IV DGB pumps into the field.

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 continued implementation of Argentina economic reforms and liberalization of its oil and gas industry as well as the current state of the trade war between Canada and the U.S. and its expected impact on the pressure pumping market in North America; the Company's expectations for its customers' capital budgets, demand for services and geographical areas of focus; the level of merger and acquisition activity among oil and gas producers and its impact on the demand for well completion services; the anticipated effects of artificial intelligence power requirements and the commissioning of liquified natural gas terminals on supply and demand fundamentals for oil and natural gas; the ability of newly deployed Tier IV DGB pumping units to achieve manufacturer claims with respect to operational performance, diesel displacement and costs savings in the field; the effect of environmental, social and governance factors on customer and investor preferences and capital deployment; the status of the military conflict in the Ukraine and related Canadian, United States and international sanctions and restrictions involving Russia and counter-sanctions, restrictions, and political measures that may be undertaken in respect of 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 continued effectiveness of cost reduction measures instituted by the Company; the Company's existing contracts and the status of current negotiations with key customers and suppliers; 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; a shift in strategy by exploration and production companies prioritizing shareholders returns over production growth; excess equipment levels; impacts of conservation measures and technological advances on the demand for the Company's services; an intensely competitive oilfield services industry; and hazards inherent in the industry; (B) geopolitical risks, including but not limited to, the impacts of the trade war between Canada and United States; foreign operations exposure, including risks relating to repatriation of cash from foreign jurisdictions, unsettled political conditions, war, foreign exchange rates and controls; and risks that the sale of the discontinued operations in Russia may not occur or may be delayed; (C) financial risks, including but not limited to, 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; price escalation and availability of raw materials, diesel fuel and component parts; actual results which are materially different from management estimates and assumptions; 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; possible dilution from outstanding stock-based compensation, additional equity or debt securities; and changes in tax rates or reassessment risk by tax authorities; (D) 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; risks of delays and quality of equipment due to Company's reliance on equipment manufacturers, suppliers and fabricators; seasonal volatility; constrained demand for the Company's services due to merger and acquisition activity; a concentrated customer base; cybersecurity risks; difficulty retaining, replacing or adding personnel; failure to continuously improve equipment, proprietary fluid chemistries and other products and services; climate change; failure to maintain safety standards and records; improper access to confidential information; failure to effectively and timely address the energy transition; risks of various types of activism; and failure to realize anticipated benefits of acquisitions and dispositions; (E) legal and regulatory risks, including but not limited to, federal, provincial and state legislative and regulatory initiatives and laws; health, safety and environmental laws and regulations; the direct and indirect costs of various existing and proposed climate change regulations; and legal and administrative proceedings. Further information about these and other risks and uncertainties may be found under the heading "Business Risks" above.

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 documents incorporated 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.

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