



# **2025 ANNUAL INFORMATION FORM**

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March 18, 2026



For the Year Ended December 31, 2025

## TABLE OF CONTENTS:

<b>TABLE OF CONTENTS</b>	
<b>PRESENTATION OF INFORMATION</b>	<a href="#"><u>1</u></a>
<b>FORWARD-LOOKING STATEMENTS</b>	<a href="#"><u>1</u></a>
<b>CORPORATE STRUCTURE</b>	<a href="#"><u>3</u></a>
Intercorporate Relationships	<a href="#"><u>3</u></a>
<b>GENERAL DEVELOPMENT OF THE BUSINESS</b>	<a href="#"><u>4</u></a>
Overview	<a href="#"><u>4</u></a>
Three Year History	<a href="#"><u>4</u></a>
2023	<a href="#"><u>4</u></a>
2024	<a href="#"><u>4</u></a>
2025	<a href="#"><u>5</u></a>
Subsequent Events	<a href="#"><u>5</u></a>
<b>DESCRIPTION OF THE BUSINESS</b>	<a href="#"><u>5</u></a>
North America Segment	<a href="#"><u>6</u></a>
Argentina Segment	<a href="#"><u>6</u></a>
Fracturing Services	<a href="#"><u>7</u></a>
Coiled Tubing Services	<a href="#"><u>8</u></a>
Cementing Services	<a href="#"><u>8</u></a>
Wireline Services	<a href="#"><u>8</u></a>
Sand Logistics	<a href="#"><u>8</u></a>
Industry Data	<a href="#"><u>9</u></a>
Pressure Pumping Industry Trends	<a href="#"><u>9</u></a>
Competition	<a href="#"><u>10</u></a>
Competitive Position	<a href="#"><u>11</u></a>
Intellectual Property and Specialized Skills and Knowledge	<a href="#"><u>11</u></a>
Customers	<a href="#"><u>12</u></a>
Contracts	<a href="#"><u>12</u></a>
Customers	<a href="#"><u>12</u></a>
Suppliers	<a href="#"><u>12</u></a>
Employees	<a href="#"><u>12</u></a>
Seasonality	<a href="#"><u>12</u></a>
Regulation	<a href="#"><u>12</u></a>
Foreign Operations	<a href="#"><u>12</u></a>
Environmental Protection and Social Responsibility	<a href="#"><u>13</u></a>
Fleet Modernization Plan	<a href="#"><u>13</u></a>
Reducing Operational Impacts	<a href="#"><u>13</u></a>
Focus on Safety	<a href="#"><u>13</u></a>
Indigenous Engagement	<a href="#"><u>13</u></a>
Ethical Business Conduct	<a href="#"><u>14</u></a>
<b>CWS INTERNATIONAL LLC</b>	<a href="#"><u>14</u></a>
<b>MARKET FOR SECURITIES</b>	<a href="#"><u>15</u></a>
<b>PRIOR SALES</b>	<a href="#"><u>15</u></a>
<b>DESCRIPTION OF CAPITAL STRUCTURE</b>	<a href="#"><u>15</u></a>
Common Shares	<a href="#"><u>15</u></a>
Credit Facilities	<a href="#"><u>15</u></a>
<b>DIVIDENDS</b>	<a href="#"><u>16</u></a>
<b>DIRECTORS AND EXECUTIVE OFFICERS</b>	<a href="#"><u>16</u></a>

Cease Trade Orders or Bankruptcies	<a href="#">17</a>
Penalties or Sanctions	<a href="#">17</a>
Conflicts of Interest	<a href="#">18</a>
<b>LEGAL AND REGULATORY PROCEEDINGS</b>	<a href="#">18</a>
Greek Legal Proceedings	<a href="#">18</a>
<b>INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS</b>	<a href="#">18</a>
Rights Offering Standby Purchasers	<a href="#">19</a>
<b>TRANSFER AGENT AND REGISTRAR</b>	<a href="#">18</a>
<b>MATERIAL CONTRACTS</b>	<a href="#">18</a>
<b>INTERESTS OF EXPERTS</b>	<a href="#">19</a>
<b>AUDIT COMMITTEE INFORMATION</b>	<a href="#">19</a>
Audit Committee Charter	<a href="#">19</a>
Composition of Audit Committee	<a href="#">19</a>
Relevant Education and Experience	<a href="#">19</a>
Pre-Approval Policies and Procedures	<a href="#">20</a>
External Audit Fees by Category	<a href="#">20</a>
<b>RISK FACTORS</b>	<a href="#">21</a>
Industry Risks	<a href="#">21</a>
Geopolitical Risks	<a href="#">22</a>
Business Operations Risks	<a href="#">24</a>
Financial Risks	<a href="#">26</a>
Legal and Regulatory Risks	<a href="#">28</a>
<b>ADDITIONAL INFORMATION</b>	<a href="#">29</a>
<b>GLOSSARY OF TERMS</b>	<a href="#">31</a>
<b>APPENDIX "A" - AUDIT COMMITTEE CHARTER</b>	<a href="#">1</a>

## PRESENTATION OF INFORMATION

Throughout this AIF, unless otherwise specified or the context otherwise requires, reference to "Calfrac" or "the Company" refers to Calfrac Well Services Ltd. (including predecessor entities as applicable), and where appropriate in the context, to its direct and indirect subsidiaries other than CWS International. Except where expressly noted, references to the Company and the discussion of the Company's business in this AIF is with respect to its operations in North America and Argentina. See "*CWS International LLC*" for additional information regarding CWS International, the Company's Russian subsidiary. Unless otherwise noted, the information contained in this AIF is given at and for the year ended December 31, 2025.

Unless the context otherwise requires, in this AIF the terms and abbreviations have the meanings set forth in the Glossary of Terms. A reference to "\$" or "dollars" is to Canadian dollars unless otherwise indicated and all references to "US\$" or "U.S. dollars" refer to United States dollars. Certain portions of Calfrac's MD&A dated March 18, 2026 are incorporated by reference into this AIF as stated below. The MD&A can be found on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)) under the Company's issuer profile.

## FORWARD-LOOKING STATEMENTS

Certain statements contained in this AIF constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws (collectively, "forward-looking statements"). These statements relate to future events or the future performance of the Company. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "forecast", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" or similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this AIF should not be unduly relied upon. These statements speak only as of the date of this AIF. Other than as required by applicable laws, the Company does not intend, and does not assume any obligation, to update these forward-looking statements.

In particular, this AIF contains forward-looking statements pertaining to the following, without limitation:

- expectations regarding trends in, and the growth prospects of, the global oil and gas industry and pressure pumping sector;
- activity, demand, utilization and outlook for the Company's operating segments;
- 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;
- potential impacts arising from increased geopolitical instability and conflict—including the ongoing military conflicts in the Middle East and Ukraine, shifts in U.S. and Venezuelan energy policies, and OPEC+ production decisions—and their effect on global oil and natural gas demand;
- the Company's Russian subsidiary, including the deconsolidation of CWS International from the Company's consolidated financial statements pursuant IFRS 10, the Company's planned sale of CWS International and the ongoing risks, uncertainties and restrictions relating to the Company's ownership of CWS International, the regulatory approvals to complete a sale transaction and the Company's compliance with applicable laws and sanctions;
- the Company's debt, liquidity and financial position;
- future financial resources and performance;
- the Company's capital structure, restrictions under its lending documents, and the Company's ability to raise capital;

- future costs or potential liabilities;
- the Company's service quality and safety record;
- capital investment plans;
- supply of raw materials, diesel fuel and component parts;
- the Company's growth strategy and prospects;
- operational execution and expectations regarding the Company's ability to maintain its competitive position;
- the impact of environmental regulations, economic sanctions and tariffs on the Company's business;
- the Company's approach and strategy with respect to environmental, social and governance matters;
- exposure under existing and potential future legal proceedings; and
- treatment under government regulatory regimes.

The forward-looking statements contained herein are based on 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 it believes are appropriate in the circumstances, including, but not limited to, the following:

- the economic and political environment in which the Company operates, including the continued implementation of Argentina's economic reforms and liberalization of its oil and gas industry and the current state of the trade relations between the Canada and the U.S. and its expected impact on the pressure pumping market in North America;
- the current status of the conflicts in Iran, the broader Middle East and Ukraine, U.S. and Venezuelan energy policies, and OPEC+ production decisions—and their effect on the global economy and oil and natural gas demand;
- 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 liquefied natural gas (LNG) export terminals on supply and demand fundamentals for natural gas;
- the ability of Tier IV DGB pumping units to continue to meet customer expectations with respect to operational performance and diesel displacement in the field;
- industry equipment levels including the number of active fracturing fleets marketed by the Company's competitors;
- the continued effectiveness of cost reduction measures instituted by the Company;
- the effect of environmental, social and governance factors on customer and investor preferences and capital deployment;
- 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.

The Company's actual results could differ materially from those anticipated in these forward-looking statements because of the risk factors set forth below and elsewhere in this AIF:

- global economic conditions, including the potential impacts of the conflict in Iran and its disruption of trade routes through the Strait of Hormuz;

- the level of exploration, development and production for oil and natural gas in North America and Argentina;
- the demand for fracturing and other stimulation services for the completion of oil and natural gas wells;
- fleet re-investment risk, including the ability of the Company to finance the capital necessary for equipment upgrades to support its operational demands while adapting equipment and technology based on government and customer requirements and preferences;
- excess oilfield equipment levels;
- the availability of capital on satisfactory terms;
- failure to satisfy the amortization payments with respect to the Term Loan and/or reach any additional agreements with the Company's lenders;
- the Company's liquidity, restrictions resulting from compliance with debt covenants and risk of acceleration of indebtedness;
- sourcing, pricing and availability of raw materials, diesel fuel, component parts, equipment, suppliers, facilities and key and skilled personnel;
- risk associated with foreign operations, such as risks related to unsettled political conditions and war and any expansion thereof, foreign exchange rates and controls, and international trade and regulatory controls and sanctions, including impacts on the Company's ownership and planned sale of CWS International; and
- the other factors considered under "Risk Factors".

## CORPORATE STRUCTURE

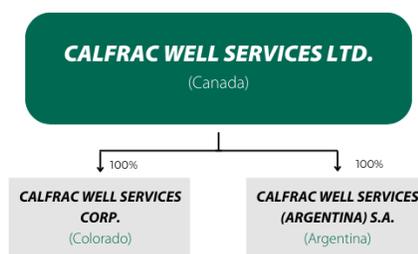
The Company is the corporation resulting from the amalgamation of Calfrac Well Services Ltd. (a pre-amalgamation predecessor of the Company) and Dominion Land Projects Ltd. under the ABCA on January 1, 2011.

On December 17, 2020, the Company filed Articles of Continuance to continue the Company under the federal jurisdiction of Canada under the CBCA, which also implemented the new by-laws of the Company as approved at the October 16, 2020 special meeting of shareholders of the Company.

The head office of the Company is located at 601, 407 - 8th Avenue S.W., Calgary, Alberta T2P 1E5 and the registered office of the Company is located at 4500, 855 - 2nd Street S.W., Calgary, Alberta T2P 4K7.

## INTERCORPORATE RELATIONSHIPS

Below is an organizational chart of the Company and its material subsidiaries as at March 18, 2026, showing each entity's jurisdiction of incorporation, continuation or formation, as applicable, and the Company's ownership interest therein.<sup>1</sup>



<sup>1</sup> The Company has additional interests in other subsidiaries that do not meet the thresholds for disclosure set out in Form 51-102F2 of the Canadian Securities Administrators. The Company's ownership interest in Calfrac Well Services (Argentina) S.A. includes indirect interests held by subsidiaries of the Company.

## GENERAL DEVELOPMENT OF THE BUSINESS

### OVERVIEW

The Company was founded in 1999 and commenced operations from a field station in Medicine Hat, Alberta with a coiled tubing unit. Over the next 25+ years, the Company has established itself as an independent provider of specialized oilfield services, including hydraulic fracturing, coiled tubing, cementing and wireline in North America and Argentina.

### THREE-YEAR HISTORY

In 2023, the Company capitalized on a strong oilfield services market to successfully execute on its strategy to maximize net income and free cash flow to strengthen its balance sheet and improve overall asset quality through its fleet modernization program. Over the course of 2024, the Company continued to rationalize its operating footprint, further progressed its fleet modernization program in North America, and committed to strategic investments in Argentina to bolster its bundled fracturing services offerings in the Vaca Muerta shale play. In 2025, the Company focused on debt reduction and restructuring its balance sheet as it completed the North American fleet modernization program and continued its efforts to streamline its operating cost structure.

#### 2023

Throughout 2023, the Company executed the initial phase of its fleet modernization plan announced in Q4 2022, which included the conversion of 50 Tier II pumping units into Tier IV DGB pumping units and supplemented the delivery of nine Tier IV DGB units that had previously been committed to.

At the beginning of 2023, the Company combined its United States and Canadian operating divisions into a single North American division as part of its strategy to streamline and unify operational, technical and administrative systems and processes in order to enhance the Company's financial efficiency, accountability and operational performance. This change resulted in a modification to the Company's presentation of its financial and operating results commencing with the interim financial statements and management's discussion and analysis for the three months ended March 31, 2023.

On May 9, Holly A. Benson joined the Board upon her election at the annual and special meeting of shareholders.

On September 29, the Company amended and restated its Credit Agreement. The principal amendments to the Credit Agreement included the following items: (i) an extension of the maturity date from July 1, 2024 to the earlier of (a) July 1, 2026 or (b) six months prior to the maturity of the Company's Second Lien Notes on March 15, 2026; (ii) the syndicated facility was increased from \$205.0 million to \$215.0 million and the operating facility was decreased from \$45.0 million to \$35.0 million; (iii) removing the borrowing base requirement and the Funded Debt to Capitalization and Current Ratio covenants; and (iv) introducing an Interest Coverage Ratio covenant of greater than 2.75:1.00 and a Total Debt to Bank EBITDA ratio covenant of less than 4.00:1.00.

On December 18, the Warrants expired and the 1.5 Lien Notes matured. Approximately 5.3 million Warrants were exercised over the term of the Warrants for aggregate gross proceeds of approximately \$13.3 million, and the remaining Warrants were terminated and cancelled. At maturity, the Company repaid the remaining 1.5 Lien Notes outstanding plus accrued interest in final satisfaction of its obligations under the 1.5 Lien Notes indenture.

#### 2024

The Board approved an initial capital budget for 2024 of approximately \$210.0 million, primarily to continue the fleet modernization program in North America and dedicate an additional \$40.0 million to support growth in its Argentinean operations while implementing new company-wide field-based technologies. However, in March the fleet modernization program was reduced by \$50.0 million to align with the market conditions prevailing at that time.

In March, the Company ceased cementing operations in Las Heras, Argentina and relocated the associated equipment to support its operations in the Neuquén basin.

In the second quarter, due to the high customer demand for Calfrac's services combined with the improving political and business environment, the Company expanded its pressure pumping footprint in the Vaca Muerta shale play. As a result, the Board approved \$29.0 million of capital for additional Tier II dual-fuel capable fracturing equipment in Argentina in support of deploying a second unconventional fleet.

In the third quarter, the Company commenced its first offshore coiled tubing program in Argentina and implemented leadership changes in the Company's U.S. and Argentina operations.

In November, the Company ceased coiled tubing operations in Comodoro Rivadavia, Argentina, and focused its operations on fracturing services from that district.

In December, the Company closed its Houston, Texas divisional corporate office and laboratory and centralized the corporate administration of its U.S. operations in Denver, Colorado.

## **2025**

The Company approved a 2025 capital plan of approximately \$135.0 million. The program included approximately \$50.0 million to facilitate the continued expansion of the Company's fracturing operations in the Vaca Muerta shale play in Argentina that was commenced in 2024. The 2025 Argentina capital program included additional Tier II dual fuel fracturing pumping units, an expansion of its deep coiled tubing capabilities and investments in wireline equipment to broaden the Company's service offering in that market. The balance of the 2025 program comprised maintenance capital for all operating divisions as well as additional investments in Tier IV DBG pumping units and other auxiliary equipment in North America.

The Company began operating a second large fracturing fleet in the Vaca Muerta shale play on a permanent basis in the first quarter of 2025.

In February, the Board appointed Charles Pellerin as Lead Director.

On March 11, the Company and its lenders amended the Credit Agreement to shorten the springing maturity date to January 15, 2026, which was two months prior to the maturity date of the Second Lien Notes.

On March 13, Pat Powell resigned as Chief Executive Officer and a director of Calfrac.

On June 27, the Credit Agreement was amended to change the definition of Bank EBITDA for the purposes of the Company's financial covenant calculations. The revised Bank EBITDA definition includes EBITDA generated in North America plus any net cash flow repatriated from Argentina.

On August 7, the Company amended and restated the Credit Agreement to include the \$120.0 million Term Loan and expand the Company's lending syndicate to five Canadian financial institutions.

In September, Tyler Dahlseide joined the Company's executive leadership team as Vice President, Optimization and Strategy.

On December 22, the Company closed an oversubscribed rights offering ("Rights Offering") to the holders of common shares. The Company issued approximately 13.0 million common shares at a subscription price of \$2.69 per common share for aggregate gross proceeds of approximately \$35.0 million. The proceeds of the Rights Offering combined with a drawdown of the \$120.0 million Term Loan and additional proceeds available to the Company under its syndicated facility, were used together with cash on hand to redeem all outstanding US\$120.0 million Second Lien Notes on December 23<sup>rd</sup>. For additional information on the Rights Offering, see the Material Change Report dated November 24, 2025 and the press release dated December 23, 2025, which are available under the Company's issuer profile on SEDAR+.

In 2025, the Company continued to rationalize its operating footprint and dispose of surplus assets, including the sale of its maintenance facility in Beebe, Arkansas, the sale of its offshore coiled tubing unit that had been active in Argentina in 2024, and the permanent closure of its operating base in Las Heras, Argentina. The Company also completed the wind-up of Calfrac Holdings following repayment of the Second Lien Notes.

## **SUBSEQUENT EVENTS**

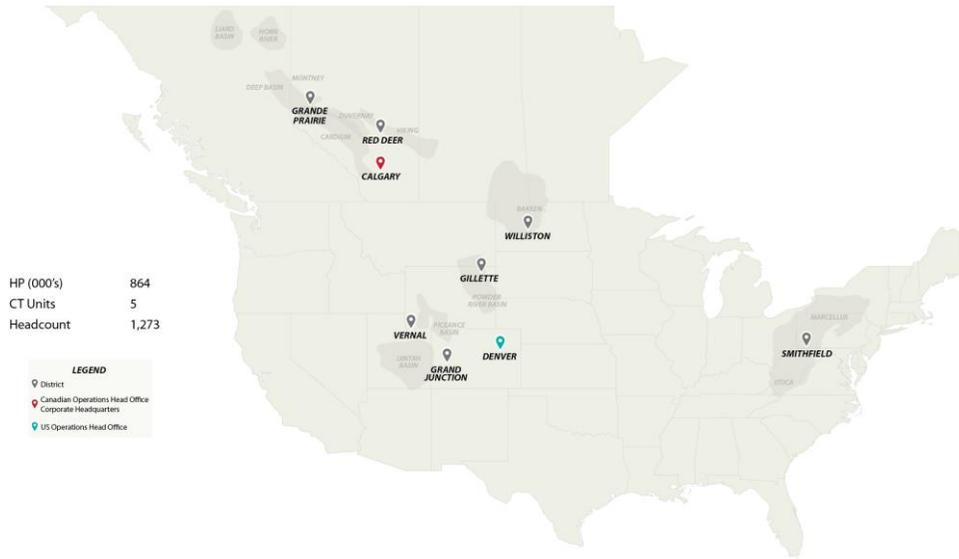
On February 4, 2026, Mr. Dahlseide was appointed as Chief Executive Officer of the Company.

## **DESCRIPTION OF THE BUSINESS**

The Company's activities are conducted in two geographical segments: North America and Argentina. All activities are related to hydraulic fracturing, coiled tubing, cementing, and wireline services for the oil and natural gas industry.

## NORTH AMERICA SEGMENT

The Company's North America segment provides fracturing services to oil and natural gas companies operating in the Williston Basin located in North Dakota as well as the broader Rockies region, which includes the Piceance Basin in western Colorado, the Uinta Basin in Utah and the Powder River Basin in eastern Wyoming. Additionally, the Company services customers operating in the San Juan Basin in New Mexico. Calfrac also provides fracturing services in the United States to natural gas-focused customers operating in the Appalachia Basin in Pennsylvania, Ohio and West Virginia. The Company provides fracturing and coiled tubing services in Canada to a diverse group of E&P companies operating in the Western Canadian Sedimentary Basin, primarily in Alberta and northeast British Columbia. The map below sets out Calfrac's North America operating locations, active equipment and headcount as at December 31, 2025.



## ARGENTINA SEGMENT

The Argentina segment provides fracturing, coiled tubing, cementing, and wireline services to E&P companies operating in the Neuquén and Comodoro Rivadavia regions. The map below sets out Calfrac's Argentina operating locations, active equipment and headcount as at December 31, 2025. In January 2026, the Company ceased operating in Comodoro Rivadavia upon the expiry of a customer contract and is in the process of closing the facility.



**SEGMENTED REVENUE ALLOCATION**

	Years Ended December 31,	
	2025	2024
	(\$)	(\$)
<b>North America</b>		
Fracturing	920,459	1,127,186
Coiled tubing	32,715	34,402
	<b>953,174</b>	<b>1,161,588</b>
<b>Argentina</b>		
Fracturing	248,078	223,599
Coiled tubing	89,375	75,741
Cementing	46,730	51,318
Wireline	50,576	55,236
	<b>434,759</b>	<b>405,894</b>
<b>Total</b>	<b>1,387,933</b>	<b>1,567,482</b>

**FRACTURING SERVICES**

The principal focus of the Company's business is the provision of hydraulic fracturing services to E&P companies. Hydraulic fracturing is a controlled well-stimulation technique commonly used to increase hydrocarbon flow to a well from petroleum bearing rock formations deep in the subsurface. Hydraulic fractures are created by pumping fluid at high pressures down a wellbore into the target rock formations. The hydraulic fracturing fluids used are typically comprised of a base fluid (e.g., water), sand and lesser volume additives, which are pumped down the well to create the fractures in the rock. These fractures will extend away from the wellbore and the sand holds these fractures open providing a pathway for hydrocarbon to flow into the wellbore for extraction.

Hydraulic fracturing technology has transformed the energy market and is continuously evolving. Hydraulic fracturing is highly regulated to minimize environmental impacts and involves the detailed design of fracturing fluids and additives used. In addition to the complex chemical technologies applied, hydraulic fracturing requires extensive knowledge and expertise to design the optimal fracturing program to maximize the performance of the well. Each fracturing program is individually designed to take account of the specific operational, well and reservoir parameters. The Company's engineering and technical services teams provide technical evaluation and job design recommendations as an integral component of its fracturing services.

To perform its services, the Company utilizes sophisticated equipment specifically designed and constructed for hydraulic fracturing. A complement or "fleet" of equipment required to perform a hydraulic fracturing job normally consists of the following:

- a blender to combine chemicals, base fluid and proppant into specific mixtures of fracturing fluids;
- high horsepower fracturing pumpers, with the number of such pumpers dependent upon the pumping pressure and rate required for the specific fracturing program design;
- a chemical additive unit to transport and inject each chemical in controlled quantities to the fracturing fluid;
- an iron truck or trailer used for transporting and rigging up the high-pressure lines or "iron" that connect the various components of the spread to the wellhead, however, traditional treating iron is increasingly being replaced with the use of a monoline system and flexible high pressure hoses, which shortens rig up and rig down time by decreasing the number of connection points while eliminating the risk of leaks on the high pressure iron during the stimulation process;
- a computer van equipped with monitoring, data recording, satellite communication and remote pumper controls to monitor and control the treatment and record the data related to each phase of the fracture; and
- various equipment to transport, store and deliver materials.

Hydraulic fracturing today has evolved from the conventional single well to primarily multi-well pad completions. Multi-well pad completions are considered the most efficient horizontal well development practice as they maximize hydrocarbon production while significantly reducing operational costs and environmental impacts by completing a group of wells on a single pad. Multi-well completion practices are typically executed through consecutive fracturing, zipper fracturing, and/or simultaneous fracturing to increase fracture complexity and connectivity by stimulating several wells on a pad in a prescribed sequence of stages. As customers continue to seek cost savings, safety improvements and production uplift, demand for innovative fracturing solutions will continue.

As of December 31, 2025, the Company's hydraulic fracturing fleet consisted of:

Segment	Active	Idle	Total
	<i>(000's HP)</i>	<i>(000's HP)</i>	<i>(000's HP)</i>
North America	864	189	1,053
Argentina	168	—	168
<b>Total</b>	<b>1,032</b>	<b>189</b>	<b>1,221</b>

### COILED TUBING SERVICES

The Company provides coiled tubing services by running tubing into wells to perform various well servicing operations. Coiled tubing units are often used together with the appropriate support equipment to pump nitrogen, acid or other fluids into wells in order to remove unwanted corrosive acids, solids, gels and fluids from the wellbore and producing zone. Coiled tubing units can also be used to set and remove tools, perform well abandonments and set siphon or velocity strings, which promote the production of oil and natural gas without the accumulation of fluid in the wellbore. Coiled tubing remains the preferred completion tool for drilling out composite plugs and ball seats in horizontal wells after multi-stage fracturing jobs. Since 1999, the Company has successfully developed innovative equipment and treating procedures required to effectively complete coiled tubing assignments, from relatively simple shallow oil and natural gas operations to deeper, more technically challenging horizontal wells.

As of December 31, 2025, the Company had five active and one idle coiled tubing units in Canada and five active coiled tubing units in Argentina.

### CEMENTING SERVICES

Drilling for oil and natural gas involves penetrating numerous geological layers, many of which may be saturated with fresh or salt water, oil, natural gas or combinations of all three. To protect groundwater from contamination emanating from the wellbore, surface casing is run to a depth below the level of groundwater and freshwater aquifers and cemented in place. In many wells, intermediate and production casing is also run below the level of surface casing and cemented in place. Once the cement has hardened, all of the geological formations that have been penetrated are isolated from each other and the completion of the well can proceed.

As of December 31, 2025, the Company had nine active cementing units in Argentina.

### WIRELINER SERVICES

The Company invested in wireline equipment in 2025 to enhance its bundled fracturing offering in the Vaca Muerta shale play. Wireline services generally consist of "plug-and-perf" completions, which involve lowering a specialized bridge plug down the wellbore on a wireline, setting it at a desired depth, then using perforating guns to create holes in the formation at that location, allowing for isolated stimulation of a specific zone within the well before moving on to set another plug and perforate a new zone further up the wellbore, repeating the process until the entire well is treated. This service has historically been performed by the Company in Argentina on a subcontracted basis for certain customers, but is now offered directly by the Company for one of its large fracturing fleet bundles. This process is also regularly completed in the Company's North America operations in coordination with the customer's other service contractors.

As of December 31, 2025, the Company had one active wireline unit in Argentina.

### SAND LOGISTICS

Sand is a critical component of the fracturing process and access to sand is essential to efficient execution and utilization, particularly in periods of high demand. The industry is historically challenged by last-mile logistics to transport sand from

distribution hubs to wells. The Company owns and operates sand-hauling units in Canada that provide last-mile-trucking logistics to transport sand from distribution hubs to wells. The Company also has access to a multitude of transload facilities strategically located throughout Western Canada which enables the Company to source sand at mine gate, ensuring reliable supply at a competitive cost.

## INDUSTRY DATA

After rebounding from COVID-19 lows, there was a decline in the North American horizontal rig count from 786 in 2022 to 649 in 2023. North American rig counts have continued to decline since year-end 2023, with 616 at year-end 2024 and 585 at year-end 2025.

Demand for completion services in recent years has been supported by significant drilled but uncompleted wells ("DUC") inventories in the United States, which peaked in June 2020 and have since declined as post-COVID-19 completions outpaced new drilling activity. As reported by the EIA, the estimated DUC inventory in the U.S. as of January 1, 2026 declined by 41% from the January 2020 estimated DUC inventory, but represents an 18% increase from the historical lows estimated in March 2022.

In 2025, global crude and natural gas markets were affected by a range of policy actions and geopolitical developments associated with the United States Government, implemented broad trade measures, including the imposition of tariffs on imports linked to Venezuelan oil exports in March 2025, which contributed to uncertainty in global crude demand and pricing dynamics.

At the same time, United States energy policy focused on expanding domestic hydrocarbon production, reducing regulatory constraints and accelerating approvals for LNG infrastructure to support increased export volumes, which contributed to record LNG exports of approximately 15 billion cubic feet per day. These measures occurred against the backdrop of evolving global supply and demand conditions, which have supported increased exports and rising natural gas prices in the United States.

In the United States, estimated average crude oil production according to the EIA was 13.61 MMbpd in 2025, up approximately 3% from 2024, with WTI averaging US\$64.73 per barrel in 2025, down approximately 15% from 2024. Dry natural gas production in the United States averaged approximately 107.4 billion cubic feet per day in 2025, down approximately 5% from 2024, with Henry Hub spot prices averaging US\$3.53 per MMBtu in 2025, up approximately 61% from 2024.

Year to date in 2026, ongoing geopolitical developments, including the United States engagement in Venezuela, the impacts of the conflict in Iran on the movement of oil and LNG through the Strait of Hormuz, and continued policy emphasis on U.S. domestic energy production and export capacity, are material factors in energy market sentiment and price formation.

On March 10, 2026, the EIA's Short-Term Energy Outlook was released and forecasted WTI crude prices to average US\$73.51 and US\$60.81 per barrel in 2026 and 2027, respectively. The EIA projects Henry Hub natural gas to average US\$3.80 per MMBtu in 2026 and US\$3.90 per MMBtu in 2027.

## PRESSURE PUMPING INDUSTRY TRENDS

The Company operates in the oil and natural gas industry and its services are designed to increase the production of hydrocarbons from wells. Demand for fracturing, coiled tubing, cementing and other well stimulation services is predominantly influenced by the level of drilling and completion activity by E&P companies. The oil and natural gas industry has traditionally been volatile and largely depends upon the level of expenditures made by E&P companies on exploration, development and production activities. Expenditures by E&P companies are typically directly related to the demand for, and price of, oil and natural gas.

Although the oilfield services industry has historically experienced volatility, the following trends were evident in 2025 and are expected to influence the pressure pumping sector:

- *E&P Capital Discipline and Activity Fundamentals.* Drilling and completions activity in North America in 2025 continued to reflect a disciplined approach by exploration and production companies toward capital deployment. Operators maintained a focus on return of capital to shareholders and disciplined budget execution in the context

of commodity price volatility. The inventory of DUC wells declined during the year as completions exceeded new drilling activity, resulting in a more balanced market for completion services relative to prior periods. These dynamics underpinned a baseline level of pressure pumping demand, while discretionary growth spending remained measured.

- *Evolution of Completion Design.* Technical trends observed in prior years persisted in 2025, including the use of longer horizontal laterals, increased stage counts, and higher proppant volumes per lateral meter. These developments have continued to drive greater pressure pumping intensity per well and have reinforced the need for higher horsepower and more advanced completion execution capabilities.
- *Fleet Capacity Rationalization.* Consolidation among larger service providers, alongside the retirement of less efficient assets, continued to align marketed capacity with prevailing customer demand. Service providers have emphasized optimizing fleet counts and retiring older equipment to maintain profitability and meet evolving operational requirements.
- *Fleet modernization and Technology Adoption.* In response to customer demand for more efficient and lower-emission fracturing equipment, pressure pumping service providers advanced fleet modernization initiatives in 2025. These initiatives included the deployment of upgraded fracturing horsepower, dual-fuel capable equipment, electric fracturing, and investments in supporting technologies to improve operational efficiency and better serve customer requirements.
- *Regional Pressure Pumping Trends.* Distinct market conditions and operational dynamics had regional impacts on the pressure pumping environment. In Canada, activity in key unconventional resource plays, including the Montney and Duvernay, continued to support demand for well stimulation services, with operators maintaining disciplined capital deployment and focusing on efficiency improvements, longer laterals, and optimized completion designs. Regional infrastructure development and government policy measures continue to influence fleet utilization and investment. In the United States pressure pumping services remain concentrated in major unconventional basins, including the Permian, Eagle Ford, and Bakken. Activity has been supported by the ongoing adoption of higher-efficiency, lower emission equipment, the implementation of advanced operational technologies, and continued technical evolution in well completions, which collectively reinforced stable demand for pressure pumping services. In Argentina, the development of the Vaca Muerta shale formation contributed to incremental well completions and associated pressure pumping activity, with domestic operators advancing upstream development in the context of supportive government policy, infrastructure expansion, and export growth initiatives.

## COMPETITION

The markets in which the Company operates are highly competitive. The principal competitive factors are: (i) price, product and service quality and availability; (ii) technical knowledge and experience; (iii) reputation for safety; (iv) fleet age and technology; and (v) service line diversification. In each of the geographic jurisdictions the Company operates, it competes against many companies that offer services that overlap with the Company's services and products. The Company's competition in North America and Argentina includes large multi-national oilfield service companies as well as regional competitors as further described in the table below:

Location	Key Competitors	
All Operations	Halliburton Company	
North America only	Liberty Energy Inc.	BJ Energy Solutions
	Element Technical Services Inc.	
Canada only	Trican Well Service Ltd.	Ironhorse Oilfield Services Ltd.
	STEP Energy Services Ltd.	
United States only	NexTier Oilfield Solutions	ProFrac Services Inc.
	ProPetro Holding Company	Gore Nitrogen Pumping Services LLC
	RPC, Inc.	TOPS Well Services LLC
	Evolution Well Services	Max Fluid Power LLC
Argentina only	Tenaris S.A.	Superior Energy Services S.A.
	SLB	SPI

## COMPETITIVE POSITION

To be successful, the Company must provide services that meet the specific needs of E&P companies at competitive prices. The Company's competitive position is based on several factors.

### ***Strategic position in fracturing markets with significant scale.***

The Company has established itself as one of the largest independent pressure pumping companies in the world by HP. The Company's North American segment serves E&P customers from seven operating facilities in Canada and the United States, enabling the Company to allocate its equipment and personnel across multiple basins and commodity types to optimize returns and activity. The Company's Argentina operations has a significant market presence in the world class Vaca Muerta shale play. Further development of the unconventional Vaca Muerta shale play is expected to drive significant demand growth and profitability for the Company's expansive service offering in that country.

### ***Strong, long-term relationships with a high quality, diversified customer base.***

The Company has strong, long-term relationships with many of its customers, comprised of a diverse and balanced mix of large, intermediate and small E&P companies, and counts among its clients some of the most active E&P companies in the countries in which it operates. Most of the Company's significant customers are major operators with strong credit metrics.

### ***Commitment to health, safety and environment.***

The Company is committed to providing high quality pressure pumping services that will satisfy and safeguard the health, safety and environment needs of its employees, customers and other key stakeholders. The Company pursues this goal through the adherence to and continued development of a leading HSE management system designed specifically for the energy services industry. This internal management system fosters a culture of continuous improvement designed to ensure safe, consistent and high-quality job execution.

### ***Proven and experienced leadership team.***

Calfrac's leadership team has significant experience in the energy industry, with long-standing client relationships and industry leading operational expertise. Two of the Company's co-founders have been involved with the Company since inception and serve on the board of directors. Calfrac also has material insider ownership, with over 50% of the common shares held by the management team and board of directors. High insider ownership aligns the financial incentive of directors and officers with the strategic direction of the Company.

### ***A dedicated, mobile and skilled workforce.***

The Company has a reliable, skilled, and dedicated workforce and it has processes in place to temporarily mobilize its workforce between operating districts. These temporary assignments facilitate knowledge transfer and enhance utilization during periods in which the demand for services decreases in a particular operating area. In addition, the Company has facilities and comprehensive programs in place which provide an environment for continuous learning and skill development that strengthen its workforce. The Company has training facilities in Alberta and Colorado which are focused on providing leadership, regulatory, HSE and skills training for employees. The Company has also implemented in-house commercial driving schools in Canada and the United States to aid its recruitment and retention of field employees.

## INTELLECTUAL PROPERTY AND SPECIALIZED SKILLS AND KNOWLEDGE

A considerable amount of technology and engineering expertise is incorporated into the fluid chemistry and the design of fracturing programs. The Company develops and maintains the specialized skills and knowledge to support the complex challenges of the industry through its operating practices and standards and through research and development.

The Company's research and development efforts focus on providing specific solutions to the challenges experienced by E&P companies when fracturing and stimulating wells. The Company conducts research and development activities in its high-tech laboratory located in Calgary, Alberta. Additionally, the district laboratories in Grande Prairie, Alberta; Grand Junction, Colorado; Williston, North Dakota; Smithfield, Pennsylvania; and Neuquén, Argentina, provide additional localized support and expertise in regions where the Company operates.

The specialized intellectual property of the Company includes proprietary, cost-effective chemistries that aim to optimize proppant placement to maximize production from the wellbore, as well as innovative and specially designed field equipment and equipment configurations that allow it to combine functions, resulting in less equipment being required at a particular well location, thereby reducing the "footprint" of the equipment.

## CUSTOMERS

The Company's customer base consists of a diverse and balanced mix of E&P companies, ranging from large public companies to national oil and gas companies to small private companies. The Company enjoys strong relationships with its customers and counts amongst its clients some of the most active E&P companies in the countries in which it operates. For the year ended December 31, 2025, the Company's ten largest customers collectively represented approximately 75% of its revenue and the Company's five largest customers collectively represented approximately 59% of its revenue, with its largest customer accounting for approximately 19% of its revenue and second largest accounting for approximately 18% of its revenue.

## CONTRACTS

### *Customers*

In North America, the Company works pursuant to commercial agreements for a defined scope of work and/or time period. These agreements do not generally contain a guaranteed minimum amount of work, however, the Company does have agreements whereby certain customers commit to using the Company to perform any required fracturing services in certain operating areas over a defined timeframe.

In Argentina, the Company is currently operating under contracts with several of the major operators in that market as well as several smaller customers, including one two-year contract for a large fracturing fleet operating in the Vaca Muerta shale play, which provide a solid contractual foundation for the division.

### *Suppliers*

The Company sources its raw materials, such as proppant, chemicals, nitrogen, and diesel fuel, and component parts from a variety of suppliers in North America and Argentina. Most of these arrangements do not contain guaranteed minimum commitments of materials, although the Company has one contract with a sand supplier based in the United States that includes a minimum purchase and supply commitment ending December 31, 2026.

## EMPLOYEES

As at December 31, 2025, the Company had 1,855 employees in North America and Argentina. Except for the workforce in Argentina, none of the Company's employees are unionized.

## SEASONALITY

The Company's business is affected by the seasonal nature of the North American oil and natural gas industry, particularly in portions of Western Canada, the Williston Basin and the broader Rockies region in the United States. See "*Risk Factors – Business Operations Risk – The Company is susceptible to seasonal volatility in its operating and financial results*" for additional information.

## REGULATION

The Company is subject to increasingly stringent and complex federal, provincial, state and local laws and regulations relating to the importation, release, transport, handling, storage, disposal and use of, and exposure to, hazardous and radioactive materials, and the protection of employees and the environment, including laws and regulations governing occupational safety standards, air emissions, chemical usage, water discharges and waste management. See "*Risk Factors – Legal and Regulatory Risks – Federal, provincial and state legislative and regulatory initiatives and laws relating to oil and gas exploration and development and/or hydraulic fracturing processes*" and "*The Company is subject to health, safety and environmental laws and regulations that may require it to make substantial expenditures or cause it to incur substantial liabilities*" for additional information.

## FOREIGN OPERATIONS

The Company has a reportable segment in Argentina, which conducts operations solely in that country. As of December 31, 2025, the Argentina segment accounted for approximately 31% of revenue, 31% of employees and 16% of active HP.

The Company has a reportable segment in North America, which conducts operations in Canada and the United States. As of December 31, 2025, the North America segment's operations in the U.S. accounted for approximately 37% of revenue, 30% of employees and 61% of active HP.

## ENVIRONMENTAL PROTECTION AND SOCIAL RESPONSIBILITY

The Company has always been committed to conducting its business in a manner that safeguards the environment as well as the health and safety of its employees, contractors, suppliers, customers and the public, and has taken the required steps to comply with all relevant legislation wherever it operates.

The Company has a Health, Safety and Environment Committee of its Board that is responsible for enabling a healthy, safe and environmentally conscious organization. In addition, the Board incorporates environmental, social and governance considerations in all its strategic, operational and financial decisions. Calfrac's ongoing commitment to these matters is further evidenced by the following:

### ***Fleet Modernization***

In 2022, Calfrac initiated a Tier IV DGB fleet modernization program in North America that concluded in 2025. These significant investments in Tier IV DGB engines, which displace diesel fuel in fracturing operations by increasing the use of natural gas, lower overall fuel costs and reduce carbon dioxide and particulate matter emissions compared to conventional diesel fracturing operations. The Company will continue to pilot alternative engine technologies aimed at enhancing the Company's diesel displacement capabilities while meeting customer operational requirements in the field.

### ***Reducing Operational Impacts***

The Company remains focused on the design, testing, and deployment of technologies, equipment configurations, and systems intended to enhance safety, improve operational efficiency, reduce water usage, and minimize environmental impacts. The Company has developed specialized products and field equipment that reduce transport traffic, job site footprint, and noise and dust associated with its operations. In addition, Calfrac has developed super-concentrated, custom-formulated chemistries that reduce packaging and last-mile trucking requirements, resulting in less material consumption, energy use, and emissions related to transportation.

### ***Focus on Safety***

The Company utilizes two health and safety performance measures in connection with the calculation of award entitlements under its Short-Term Incentive Plan. Total Recordable Injury Frequency or TRIF is a lagging indicator that determines the injury rate based on the number of recordable injuries and the total number of hours worked in a year. Lost Time Incident Frequency or LTIF is a lagging indicator that determines the injury rate based on the number of lost time injuries and the total number of hours worked in a year. The foundation of the formula for calculating TRIF and LTIF is defined by the Occupational Health & Safety Administration, a federal agency of the United States that regulates workplace safety and health. The overall annual TRIF and LTIF, which is determined at December 31<sup>st</sup> of the relevant year, is based on the total number of recordable injuries and illnesses or lost time injuries and illnesses, as applicable, for the applicable division and the total hours worked for the applicable division for the year.

The use of TRIF and LTIF are core to the Company's culture and underlie Calfrac's commitment to protect the health and safety of its employees, contractors, customers, and other third-party personnel in the communities where it operates. The use of TRIF and LTIF also reinforces that health and safety management are core to the Company's culture. While TRIF and LTIF are lagging indicators that are critical to monitoring the Company's safety performance, Calfrac has invested significant resources and management efforts into leading indicators, such as hazards identifications and facility and wellsite inspections. Specifically, the Company invested in a user-friendly hazard identification application that is accessible to all field employees, which has led to an increase in the number of hazard identifications. Furthermore, the Company has implemented a behaviour-based observation program to formalize the intervention of at-risk behaviour and mentoring of employees after an at-risk behavior is identified. Management's emphasis on safety reinforces safety conscious behavior, thereby preventing incidents and improving overall safety performance, as supported by the Company's ongoing TRIF and LTIF results.

### ***Indigenous Engagement***

In 2025, Calfrac hired a Manager, Indigenous Relation in Canada to further develop and strengthen Calfrac's strategic relationships with Indigenous communities and businesses where the Company operates. The Company also adopted an Indigenous Statement of Principles in Canada to support mutually beneficial engagement and enhance opportunities to recruit, retain and advance Indigenous employees and support Indigenous businesses while respecting Indigenous cultures, traditional values, and rights.

**Ethical Business Conduct**

The Board has adopted a number of policies in support of the Company's commitment to ethical business conduct and strong corporate sustainability, including a Code of Business Conduct, Whistleblower Policy, Supplier Code of Conduct, and Anti-Bribery and Anti-Corruption Policy. Additional information on these policies is set forth under the heading "Ethical Business Conduct" in Calfrac's management information circular for its most recent annual shareholders meeting, which is available on SEDAR+ under the Company's issuer profile.

**CWS INTERNATIONAL LLC**

CWS International is a wholly owned subsidiary of the Company that operates in Russia. As of December 31, 2025, CWS International had approximately 77,000 HP and seven coiled tubing units, and approximately 770 employees.

On March 29, 2022, the Company announced the suspension of any investments in the Russian Federation as CWS International continued to fulfill its contractual commitments in strict compliance with applicable sanctions. During the first quarter of 2022, the Company committed to a plan to sell CWS International, which resulted in such associated assets and liabilities being classified as assets held for sale and presented as discontinued operations in the Company's financial statements. Since that time, the Company has been focused on concluding a sale of CWS International as soon as possible while maintaining compliance with applicable laws and sanctions, which continue to evolve.

On June 8, 2022, Global Affairs Canada announced new sanctions under *Special Economic Measures (Russia) Regulations* (the "Russia Regulations") in the form of certain services restrictions applicable to Canadians anywhere in the world or persons in Canada in relation to the Russian oil and gas industry, among others (the "Services Restrictions"). In response, the Company immediately ordered the discontinuation of all services, including technical, financial, and management services, between its Canadian-based personnel and CWS International's Russian personnel. Following consultation with its advisors, the Company terminated or reassigned all Canadian-based personnel of the Company that had previously been supporting the Russian division. Since the implementation of the Services Restrictions under the Russia Regulations no personnel of the Company or person in Canada have provided any services to CWS International and none have supported CWS International in relation to its day-to-day operations or its Russian service contracts. CWS International, a Russian legal person to whom the Services Restrictions do not apply, has been operating independently from the Company and its affiliates since June 2022 and is receiving no financial, management or technical services or support from the Company or its affiliates.

In addition to monitoring and addressing, as applicable, the evolving laws and sanctions from the governments of Canada, the U.S., and other western nations, the Company's efforts to divest of CWS International have been impacted by domestic laws and sanctions of the Russian Federation, including without limitation, that any sale or any other transfer or alienation of CWS International must be approved by the President of the Russian Federation in accordance with the requirements of Decree of the President of the Russian Federation No. 520, dated August 5, 2022, and Resolution of the President of the Russian Federation No. 372-pn, dated November 9, 2022 and rules setting out additional requirements for exits of foreign investors from Russia, which are updated on a periodic basis.

As a result of these evolving circumstances, the risks, restrictions, and uncertainties surrounding, among other things, banking, the Company's ownership and control over its Russian subsidiary, the physical security of property, plant and equipment in Russia, the regulatory approvals to complete a sale transaction and overall business and operational risks have been continually monitored and addressed as the situation evolves.

In the fourth quarter of 2025, management determined that the Company ceased controlling CWS International for accounting purposes pursuant to IFRS 10 due to the cumulative impacts of applicable sanctions and certain new covenants under the Credit Agreement that restrict the Company's permitted commercial dealings with CWS International. As a result, the net assets of CWS International were written down to reflect their revised expected recoverable amount of nil and, commencing in the fourth quarter, the net profit or loss of CWS International is no longer recorded in the Company's consolidated financial statements.

Although the results of CWS International ceased to be consolidated during the fourth quarter, the Company continues to have legal control and ownership of CWS International. The Company remains committed to a sale of its Russian subsidiary and will continue seeking to conclude a sale transaction as soon as possible while complying with applicable laws and sanctions.

## MARKET FOR SECURITIES

The Company's common shares are listed on the TSX under the symbol "CFW". The following table sets forth the monthly price ranges and volumes of trading of the common shares on the TSX for the period starting January 1, 2025 and ending December 31, 2025:

	High	Low	Volume
	(C\$)	(C\$)	(Shares)
January	4.07	3.69	1,300,112
February	4.04	3.70	1,105,564
March	3.95	3.45	2,932,849
April	3.84	2.98	2,647,770
May	3.53	3.15	584,162
June	3.60	3.26	394,805
July	4.04	3.37	1,020,655
August	3.94	3.29	598,901
September	3.53	3.10	436,522
October	3.14	3.06	439,945
November	3.55	3.02	1,749,724
December	4.49	3.21	1,160,824

## PRIOR SALES

The following table summarizes issuances of the Company's outstanding securities that are not listed or quoted on a marketplace during the financial year ended December 31, 2025:

Date Issued	Type of Security <sup>(1)</sup>	Number Issued	Issue Price
February 24, 2025	Performance stock options	111,058	5.74 <sup>(2)</sup>
February 24, 2025	Performance share units	47,596	N/A <sup>(3)</sup>
May 16, 2025	Deferred share units	147,000	N/A <sup>(4)</sup>
November 24, 2025	Stock options	1,000,000	\$4.00 - \$7.00 <sup>(5)</sup>

<sup>(1)</sup> For additional information on the Company's outstanding stock options, performance stock options, performance share units and deferred share units see the Share-Based Compensation note to the Annual Financial Statements, which is incorporated by reference herein and is available on SEDAR+ under Calfrac's issuer profile.

<sup>(2)</sup> Represents the exercise price per stock option. The performance condition was not met and these incentives were cancelled as of March 18, 2026.

<sup>(3)</sup> No issue price is stated as such performance share units settle in common shares issued from treasury within 30 days of the vesting date; however, the performance condition was not met, and these incentives were cancelled as of March 18, 2026.

<sup>(4)</sup> Each deferred share unit represents the right to receive a gross payment equal to the Fair Market Value at the date of exercise, which date will be determined by the holder, subject to certain conditions. For this purpose, "Fair Market Value" means, on any date, the weighted average trading price of a common share of the Company on the TSX during the last five trading days prior to that date.

<sup>(5)</sup> These stock options were granted in five tranches of 200,000 options each with a specified strike price for each tranche, which exercise prices were in excess of the volume weighted average trading price of the common shares on the TSX for the five trading days preceding the date of grant.

## DESCRIPTION OF CAPITAL STRUCTURE

### COMMON SHARES

The holders of common shares are entitled to receive notice of, and to one vote per share at, every meeting of shareholders of the Company, to receive such dividends as the Board declares, and to share equally in the assets of the Company remaining upon the liquidation of the Company after the creditors of the Company have been satisfied. There is no share capital outstanding that is composed of non-voting shares.

### CREDIT FACILITIES

The Company has Credit Facilities with a syndicate of lenders pursuant to the Credit Agreement comprised of: (i) a \$215.0 million revolving syndicated facility; (ii) a \$35.0 million revolving operating facility; and (iii) a \$120.0 million non-revolving term facility (referred to herein as the Term Loan). The maturity date of the Credit Facilities is July 1, 2028. The Company's obligations under the Credit Agreement are fully and unconditionally guaranteed, jointly and severally, on a senior secured

basis by Calfrac Corp. and CCI (together with the Company, the "Obligors"). In addition, the obligations under the Credit Agreement are secured by a first priority senior security interest in all assets and properties of the Obligors. See "*General Development of the Business – Three Year History*" for developments related to the Credit Agreement and certain of its predecessor agreements, the Annual MD&A under the heading "*Liquidity and Capital Resources*" for a discussion of the Credit Agreement's material terms and covenants, and Note 6 to the Annual Financial Statements for the amounts drawn thereunder as at December 31, 2025, each of which is incorporated herein by reference and available on SEDAR+ under Calfrac's issuer profile.

## DIVIDENDS

The payment of any dividend is at the discretion of the Board and depends on the financial condition of the Company and other factors. The Company has not paid any dividends on its common shares in any of the three most recently completed financial years. The Credit Agreement provides that the Company must not pay dividends or other distributions unless, after giving effect to such distribution, the Funded Debt to Bank EBITDA ratio shall be less than or equal to 2.00:1.00, on a *pro forma* basis, and the Company shall have liquidity (as calculated under the Credit Agreement) of not less than \$100.0 million on a *pro forma* basis. In addition, the Company shall not make any distributions while any payment obligations under the Term Loan are outstanding or otherwise where the Company is in default under the Credit Agreement or the making of such payment would result in a default.

## DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth information with respect to the current directors and executive officers of the Company as at March 18, 2026:

Name and Residence	Position with the Company	Director Since <sup>(4)</sup>	Principal Occupation During the Last Five Years
Ronald P. Mathison Alberta, Canada	Chairman of the Board and a Director	June 28, 1999	Chairman, MATCO Investments Ltd. (a private investment company). Also, Executive Chairman of the Company from June 2019 to December 2021.
Douglas R. Ramsay <sup>(1)</sup> Alberta, Canada	Vice Chairman and a Director	June 28, 1999	Vice Chairman since January 2014. Prior to, Chief Executive Officer since 1999.
George Armoyan <sup>(2)</sup> Nova Scotia, Canada	Director	December 18, 2020	Chairman and CEO of Clarke Inc. (a public investment company). Also, Executive Chairman and Secretary of G2S2 Capital Inc. (a private investment company) and President of Armco Capital Inc. (a development company). Interim Chief Executive Officer of the Company from December 2021 to June 2022.
Anuroop Duggal <sup>(2)(3)</sup> Ontario, Canada	Director	December 18, 2020	Private investor since 2018. Prior to, Partner of 3G Capital, an asset management firm.
Charles Pellerin <sup>(2)(3)</sup> Quebec, Canada	Director	May 3, 2022	Principal Partner and President of Pellerin Potvin Gagnon S.E.N.C.R.L., an accounting firm.
Chetan Mehta <sup>(1)(3)</sup> Maryland, United States	Director	May 3, 2022	Private oil and gas investor. Prior to, a Senior Energy Research Analyst at several U.S. investment firms.
Holly A. Benson <sup>(1)(3)</sup> Alberta, Canada	Director	May 9, 2023	Independent businessperson since January 2021. Prior to, Vice President, Finance & Chief Financial Officer of Peters & Co. Limited (a registered investment dealer) from October 1999 to December 2020.
Tyler Dahlseide Alberta, Canada	Chief Executive Officer	N/A	Chief Executive Officer since February 2026 and Vice President, Optimization and Strategy since September 2025. Prior to, President of Ferus Inc., an industrial gas business from 2017 to September 2025.

Name and Residence	Position with the Company	Director Since <sup>(4)</sup>	Principal Occupation During the Last Five Years
Michael D. Olinek Alberta, Canada	Chief Financial Officer	N/A	Chief Financial Officer since February 2017. Prior to, Vice President, Finance and Interim Chief Financial Officer from March 2016 to February 2017; Vice President, Finance from April 2011 to March 2016.
Jeffrey I. Ellis Alberta, Canada	General Counsel and Corporate Secretary	N/A	General Counsel and Corporate Secretary since September 2021. Prior to, General Counsel from August 2020 to September 2021; Senior Legal Counsel from March 2017 to August 2020; and Legal Counsel from April 2012 to March 2017.

<sup>(1)</sup> Member of the Health, Safety and Environment Committee.

<sup>(2)</sup> Member of the Compensation, Governance and Nominating Committee.

<sup>(3)</sup> Member of the Audit Committee.

<sup>(4)</sup> Each director holds office until the close of the annual and special meeting to be held on May 12, 2026.

As at March 18, 2026, the directors and executive officers of the Company beneficially owned, or controlled and directed, directly or indirectly, an aggregate of 53,442,409 common shares, representing approximately 54% of the 99,871,572 issued and outstanding common shares.

### CEASE TRADE ORDERS OR BANKRUPTCIES

To the knowledge of the Company, no director or executive officer of the Company is, as at the date of this AIF, or has been, within 10 years before the date of this AIF, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively, an "Order") and that was issued while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer of the company being the subject of such an Order, and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of the Company, other than as described below, no director or executive officer of the Company:

- (a) is, at the date of this AIF, or has been within 10 years before the date of this AIF, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer.

Mr. Mathison was a director of Tesla Exploration Ltd. ("Tesla"). On July 25, 2016, Mr. Mathison resigned as a director of Tesla and Tesla was placed into receivership by its Canadian credit facility lender.

### PENALTIES OR SANCTIONS

To the knowledge of the Company, no director or executive officer of the Company (nor any personal holding company of any of such persons), or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

## CONFLICTS OF INTERESTS

To the knowledge of the Company there are no known existing or potential material conflicts of interest between the Company or a subsidiary of the Company and a director or officer of the Company or a subsidiary of the Company. Any existing or potential conflicts of interest that arise are subject to and governed by the Company's Code of Business Conduct and the law applicable to directors' and officers' conflicts of interest. In accordance with applicable laws, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In addition, a director shall not vote on any resolution of the Board if an existing or potential conflict of interest is identified with respect to a director and the relevant subject matter of the resolution, except in limited circumstances.

## LEGAL AND REGULATORY PROCEEDINGS

### GREEK LEGAL PROCEEDINGS

In 2004, CWSL, a predecessor entity of the Company, was acquired by Denison in a reverse takeover transaction and amalgamated with Denison. Pursuant to the amalgamation, the Company assumed certain legal obligations relating to Denison's historical Greek operations, including ongoing legal proceedings. See Note 20 to the Annual Financial Statements for additional information on these claims, which is incorporated herein by reference and available on SEDAR+ under the Company's issuer profile.

## INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as disclosed below and elsewhere in this AIF, none of the Company's directors or executive officers, nor any shareholder who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding common shares, nor any known associate or affiliate of such persons, had a material interest, direct or indirect, in any transaction within the last three fiscal years nor in any proposed transaction that has materially affected or is reasonably expected to materially affect the Company.

### RIGHTS OFFERING STANDBY PURCHASERS

In connection with the Rights Offering, George Armoyan, Charles Pellerin, Ronald P. Mathison and certain other investors (collectively, the "Standby Purchasers") entered into a standby purchase agreement with the Company (the "Standby Purchase Agreement"). Pursuant to the Standby Purchase Agreement: (i) the Standby Purchasers (other than Mr. Mathison) agreed to exercise all of the rights they received as shareholders of the Company under the basic subscription privilege of the Rights Offering; and (ii) the Standby Purchasers, as a group, agreed to purchase all of the common shares not otherwise subscribed for and taken up under the Rights Offering by eligible shareholders upon the expiry of the Rights Offering according to a pre-determined allocation (the "Standby Shares"). No Standby Shares were subscribed for pursuant to the Standby Purchase Agreement as the Rights Offering was over-subscribed. No fees were contemplated or paid to the Standby Purchasers pursuant to the Standby Purchase Agreement. A copy of the Standby Purchase Agreement is available on SEDAR+ under the Company's issuer profile.

## TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Company's common shares is Odyssey Trust Company at its principal office in Calgary, Alberta.

## MATERIAL CONTRACTS

The Company and/or its subsidiaries, as applicable, have entered into the following material contracts since the beginning of the Company's most recently completed financial year or before the Company's most recently completed financial year if any such contract is still in effect, and which are outside of the ordinary course of the Company's business. A description and summary of each material contract listed below has been cross-referenced in this AIF, where applicable:

1. **The Credit Agreement.** See *"General Development of the Business – Three Year History"* and *"Description of Capital Structure – Revolving Credit Facilities"* for information regarding the Credit Agreement.
2. **Registration Rights Agreement made effective December 18, 2020, among the Company, G2S2, MATCO, and certain other investors in the 1.5 Lien Notes.** In connection with the Recapitalization Transaction, G2S2 and MATCO were granted demand registration rights pursuant to which such parties (and certain other investors in the 1.5 Lien Notes) may require the Company to file a prospectus with the Canadian securities administrators qualifying the common

shares owned by such parties for sale in Canada. The Registration Rights Agreement also grants piggyback registration rights to the investor parties if the Company proposes to distribute common shares by way of a prospectus, which rights allow G2S2 and MATCO to require the Company in certain circumstances to include common shares owned by G2S2 and MATCO in such prospectus distribution. The Registration Rights Agreement terminates (i) as to each investor party at such time as the investor (together with its affiliates) ceases to beneficially own, or exercise control or direction over, at least 2% of the outstanding common shares of the Company on an as-converted basis; or (ii) as to all parties at which time the investors cease to collectively hold at least 5% of the outstanding common shares of the Company on an as-converted basis.

3. **Investor Rights Agreement made effective December 18, 2020, among the Company, G2S2, MATCO and certain other investors in the 1.5 Lien Notes, as amended effective July 19, 2022.** The Investor Rights Agreement was entered in connection with the Recapitalization Transaction and provides the investor parties thereto, including G2S2 and MATCO, with anti-dilution rights for the opportunity to subscribe for their pro rata portion, on an as-converted common share basis, of any proposed issuance, sale or exchange of equity or debt securities (or securities convertible or exchangeable into equity or debt securities, excluding employee compensation securities under Board approved compensation plans), subject to certain conditions. The anti-dilution rights under the Investor Rights Agreement terminates as to each investor at such time as the investor (together with its affiliates) ceases to beneficially own, or exercise control or direction over, at least 5% of the outstanding common shares of the Company.

The summaries of the material contracts set forth above and elsewhere in this AIF do not purport to be complete and are qualified in their entirety by the express terms of the applicable contract. Copies of the above-listed material contracts are available on SEDAR+ under Calfrac's issuer profile.

## INTERESTS OF EXPERTS

The Company's independent auditors are PricewaterhouseCoopers LLP, Chartered Professional Accountants, who have prepared an independent auditor's report dated March 18, 2026 in respect of the Company's consolidated financial statements as at December 31, 2025 and 2024. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada, including the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

## AUDIT COMMITTEE INFORMATION

### AUDIT COMMITTEE CHARTER

The Company's Audit Committee charter sets out the committee's purpose, organization, duties and responsibilities. A copy of the charter is attached hereto as Appendix "A".

### COMPOSITION OF AUDIT COMMITTEE

The Company's Audit Committee is comprised of the following financial experts: Holly A. Benson (Chair), Charles Pellerin, Anuroop Duggal, and Chetan Mehta, all of whom are financially literate and independent, as such terms are defined in National Instrument 52-110 – Audit Committees.

### RELEVANT EDUCATION AND EXPERIENCE

#### **Holly A. Benson**

Ms. Benson is an independent businessperson with a Chartered Public Accountant designation and the former Vice President, Finance and Chief Financial Officer of Peters & Co. Limited, a registered investment dealer, from 1999 to 2020. Prior to, Ms. Benson served as Controller of Peters & Co. Limited, and prior to that she held various audit and accounting positions at Ernst & Young LLP. Ms. Benson has her ICD.D designation from the Institute of Corporate Directors, currently serves as a director and Chair of the Audit Committee of Rubellite Energy Corp. (TSX: RBE) and has served on various industry committees and boards, including as a member of the Finance, Audit and Risk Committee and a director of the Investment Industry Regulatory Organization of Canada (now the Canadian Investment Regulatory Organization) from 2015 to 2021.

**Charles Pellerin**

Mr. Pellerin is a Chartered Public Accountant and is the Principal Partner and President of one of the largest independent accounting firms in Québec, Pellerin Potvin Gagnon S.E.N.C.R.L., which he joined in 1998, became a partner in 2003 and was promoted to President in 2006. Mr. Pellerin is also the owner of several privately owned manufacturing businesses and owns residential, commercial and industrial properties throughout Québec. Mr. Pellerin holds a Bachelor's degree in accounting from Ottawa University and a post graduate diploma in accounting from the University of Trois-Rivières, Québec, and has been a member of the Québec Order of the Chartered Accountants since 2000. Mr. Pellerin is also a director and member of the Audit Committee of Clarke Inc. (TSX: CKI) and the Executive Chairman of Terravest Industries (TSX: TVK).

**Anuroop Duggal**

Mr. Duggal is a private investor with significant institutional investing experience within the global energy sector. He was a partner at 3G Capital, a global multi-billion-dollar asset manager, where he helped launch, manage, and grow a natural resource focused equity and credit fund. Prior to that, he was an investor with Goldman Sachs Investment Partners. Mr. Duggal was also an Adjunct Professor for the MBA program at Columbia Business School for seven years where he taught value investing courses through the Heilbrunn Center for Graham & Dodd Investing. Mr. Duggal also serves on the Audit Committee of Prairie Sky Royalty Ltd. (TSX: PSK).

**Chetan Mehta**

Mr. Mehta is a private investor with over fifteen years of institutional investing experience in the global oil and gas industry. He remains an active investor in the North American energy sector through his multi-strategy investment firm, KD Energy Holdings. Mr. Mehta previously held senior energy research positions at several large investment firms, including Samlyn Capital, MSD Capital and TPG-Axon Capital. Mr. Mehta began his investing career in private equity at the Texas Pacific Group in London. Mr. Mehta graduated Magna Cum Laude from the Wharton School at the University of Pennsylvania with a Bachelor of Science in Economics.

**PRE-APPROVAL POLICIES AND PROCEDURES**

The Company's Audit Committee mandate requires the Audit Committee to pre-approve all non-audit services to be provided to the Company or any of its subsidiary entities by the Company's external auditor or the external auditor of the Company's subsidiary entities, provided that the Audit Committee may satisfy the pre-approval requirement by either delegating to one or more members of the Audit Committee the authority to pre-approve non-audit services or adopting specific policies and procedures for the engagement of non-audit services.

**EXTERNAL AUDIT FEES BY CATEGORY**

PricewaterhouseCoopers LLP has served as the Company's external auditor since its formation in 1999. The following table lists the fees paid to PricewaterhouseCoopers LLP, by category, for the last two fiscal years:

	Unit of Measure	Years Ended December 31,	
		2024 <sup>(1)</sup>	2025
Audit fees	CDN Dollars	658,563	630,400
Audit-related fees	CDN Dollars	97,650	103,950
Tax-related fees	CDN Dollars	50,208	71,629
All other fees	CDN Dollars	63,000	6,790
<b>Total</b>		<b>869,421</b>	<b>812,769</b>

<sup>(1)</sup> Fees for 2024 have been restated to reflect incremental 2024 audit fees approved by the Board subsequent to the publication of the 2024 Annual Information Form.

**Audit Fees**

Audit fees were paid for professional services rendered by the auditors for the audit of the Company's annual financial statements or services provided in connection with statutory and regulatory filings or engagements.

**Audit-related Fees**

Audit-related fees were paid for assurance and related services that are reasonably related to the performance of the audit or review of the annual and interim financial statements and are not reported under the audit fees item above.

**Tax-related Fees**

Tax-related fees were paid for professional services relating to tax compliance and tax advice.

**All Other Fees**

All other fees relate to fees paid for products or services other than the audit fees, audit-related fees and tax fees described above, including fees paid for services in connection with the Rights Offering in 2025.

**RISK FACTORS****INDUSTRY RISKS**

***The Company's business depends on the oil and natural gas industry and particularly on the level of exploration, development and production for North American and Argentinean oil and natural gas, which is volatile.***

The demand, pricing and terms for the Company's services largely depend upon the level of expenditures made by oil and gas companies on exploration, development and production activities in North America and Argentina. Expenditures by oil and gas companies are typically directly related to the demand for, and price of, oil and gas. Generally, when commodity prices and demand are predicted to be, or are relatively, high, demand for the Company's services is high. The converse is also true.

The prices for oil and natural gas are subject to a variety of factors including: the demand for energy; the ability of OPEC+ to set and maintain production levels for oil; oil and gas production by non-OPEC+ countries; the decline rates for current production; global and domestic economic conditions, including currency fluctuations; political and economic uncertainty and sociopolitical unrest; the cost of exporting, producing and delivering oil and gas; technological advances affecting energy consumption; weather conditions; the effect of worldwide energy conservation and greenhouse gas reduction measures; manufacturing demand and the availability of products and raw materials; and government regulations.

Recent global economic uncertainty—including the disruption of oil and gas shipments through the Strait of Hormuz, shifting U.S. trade policies, recession risks, changing central-bank actions, uneven international growth, market volatility, and rising sovereign debt—has contributed to sharp swings in commodity prices. Geopolitical conflicts, including the Iran conflict and Russia's invasion of Ukraine, along with ongoing OPEC+ production decisions, continue to drive instability in crude oil markets. Evolving U.S. policies affecting Venezuelan crude exports have added further uncertainty to global supply. While these conflicts have not directly affected North American natural gas inventories, their influence on competing commodities has created a volatile pricing environment.

In addition to current and expected future oil and gas prices, the level of expenditures made by oil and gas companies are influenced by numerous factors over which the Company has no control, including but not limited to: general economic conditions; the cost of exploring for, producing and delivering oil and gas; the expected rates of current production; the discovery rates of new oil and gas reserves; cost and availability of drilling equipment; availability of pipeline and other oil and gas transportation capacity; drilled but uncompleted well inventories; natural gas storage levels; political, regulatory and economic conditions, including but not limited to the impacts of the ongoing conflicts in the Middle East, the implementation of tariffs on goods imported from and exported to the United States (see "*Geopolitical Risks - The Company's operations could be materially impacted by changes to the international trading system*" for additional information); taxation and royalty changes; government regulation; environmental regulation; ability of oil and gas companies to obtain credit, equity capital or debt financing; and currency fluctuations. A material decline in global oil and natural gas prices or North American or Argentinean activity levels as a result of any of the above factors could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

***The Company's industry is intensely competitive.***

Each of the markets in which the Company participates is highly competitive. To be successful, a service provider must provide services that meet the specific needs of E&P companies at competitive prices. The principal competitive factors in the markets in which the Company operates are (i) price, product and service quality and availability; (ii) technical knowledge and experience; (iii) reputation for safety; (iv) fleet age and technology, including diesel displacement capabilities; and (v) service line diversification. The Company competes with large national and multi-national oilfield service companies that have extensive financial and other resources and offer a wide range of well stimulation services and technologies in all geographic regions in which the Company operates. In addition, the Company competes with several regional competitors. As a result of competition, the Company may suffer from a significant reduction in revenue or be unable to pursue additional business opportunities.

***A shift in strategy by E&P's in North America could impact the demand for the Company's services.***

E&P companies in North America have undergone a strategy shift in recent years, shoring up balance sheets and returning capital to shareholders in lieu of investing additional capital in production growth. In addition, continued consolidation among E&P companies in North America may result in a net decrease in overall drilling and completion demand. These factors, along with drilling and completion efficiencies, are driving level to growing production without the need for incremental capital spending by E&Ps and could reduce overall demand for drilling rigs and fracturing fleets and increase competition for E&P work programs, which could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

***The Company's industry may be affected by excess equipment levels.***

Because of the long life of oilfield service equipment and the lag between when a decision to build additional equipment is made and when the equipment is placed into service, the quantity of oilfield service equipment in the industry does not always correlate with the level of demand for service equipment. Periods of high demand often spur increased capital expenditures on equipment, and those capital expenditures may add capacity that exceeds actual demand. Additionally, a customer focus on diesel displacement has spurred increased investment in electric, turbine, natural gas reciprocating engines and Tier IV DGB fracturing pumps that could outstrip customer demand and/or exacerbate demand dynamics for conventional diesel pressure pumping equipment. Such supply fundamentals could cause the Company or its competitors to lower pricing and could lead to a decrease in rates in the oilfield services industry generally, which could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

***The Company's operations are subject to hazards inherent in the oil and natural gas industry.***

The Company's operations are subject to hazards inherent in the oil and natural gas industry, such as equipment defects, malfunction and failures, operator error, and natural disasters which can result in fires, vehicle accidents, explosions and uncontrollable flows of natural gas or well fluids that can cause personal injury, loss of life, suspension of operations, damage to formations, damage to facilities, business interruption and damage to or destruction of property, equipment and the environment. These hazards could expose the Company to substantial liability for personal injury, wrongful death, property damage, loss of oil and natural gas production, pollution, contamination of drinking water and other environmental damages. The Company continuously monitors its activities for quality control and safety, and although the Company maintains insurance coverage that it believes to be adequate, such insurance may not be adequate to cover all potential liabilities and may not be available in the future at rates and terms that the Company considers commercially reasonable and justifiable. The oil and gas industry continues to experience increasing insurance premiums and costs, which coupled with an occurrence of a significant event that the Company is not insured against, or the insolvency of the insurer of such event, could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

**GEOPOLITICAL RISKS*****International Conflict***

International conflicts, geopolitical tensions, and related events—such as war, terrorism, trade disputes, and sanctions—create uncertainty and volatility in global energy and financial markets and increase cybersecurity risks. Ongoing conflicts, including the conflicts in Iran and the broader Middle East, Russia's invasion of Ukraine, and political developments in other energy-producing regions, underscore the heightened risks facing the global economy and the oil and gas industry. Disruptions in these regions can materially affect global financial markets, commodity prices and supply chains, as seen with sanctions on Russia and the interruption of key oil and gas shipping routes in the Strait of Hormuz. Such volatility may negatively impact the Company's business, financial condition, and results of operations by reducing economic growth, commodity prices and industry activity levels, which in turn may lower demand for the Company's services. The duration and impact of these geopolitical events are unpredictable and may exacerbate other risks identified in the AIF, potentially affecting the Company, its stakeholders, and counterparties in unforeseen ways.

***The Company's operations could be materially impacted by changes to the global trading system***

The United States Government initiated changes to the global trading system in 2025 that impacted Canada and its other trading partners, resulting in the imposition of tariffs and counter-tariffs on certain goods imported and exported between the U.S. and Canada. The USMCA provides safe harbour for certain types of qualifying goods, but the U.S. has signaled a potential withdrawal or renegotiation of its terms. The full scale, breadth, and duration of the global trade uncertainties is unknown and subject to significant uncertainty at this time. As such, the impacts thereof on the economy (domestic and international) including higher inflation or high prices and impacts on the Company on its operating costs and availability of

imported goods are evolving and cannot be accurately quantified at this time. The Company continues to monitor the dynamic situation, evaluate alternatives and applicable tariff exemptions for imported products and parts to support its operations and implement mitigation measures to limit the impact of the trade uncertainties on its operations as the circumstances evolve.

**Governmental Risk**

Shifts in government policy by existing administrations or changes in government in jurisdictions in which the Company operates or elsewhere may affect the Company could lead to policy shifts that impact the oil and gas industry in North America and Argentina, the effects of which may impact the Company's activities, prospects, financial condition and regulatory environment. Restrictions on fossil fuel-based energy use, cross-border economic activity and development of new infrastructure can impact the demand for the Company's services and opportunities for growth. The Company is committed to ensuring that business risks are understood, and mitigation strategies are implemented; however, changes in government policy are outside the Company's control and may adversely affect the Company's business, results of operations, financial condition or reputation.

***The Company's foreign operations expose it to risks from abroad.***

The Company operates in Argentina, which historically has been considered politically and/or economically unstable. While the Milei government in Argentina continues to implement fiscal and monetary reforms in an effort to stabilize the economy, reduce inflation and incentivize oil and gas development, there is no guarantee that such measures will continue to be successful or that the Milei government will remain in power to continue its reforms. As a result, activities in Argentina may be subject to economic and political considerations, such as taxation, nationalization, expropriation, inflation, currency fluctuations, increased regulation and approval requirements, and restrictions on the repatriation of income or capital. Any such considerations could adversely affect the economics of exploration or development projects for the Company or its customers in Argentina and/or the demand for the Company's well stimulation services in Argentina which, in turn, could have a material adverse effect on its assets, business, financial condition, results of operations and cash flows.

***The sale of the Company's subsidiary in Russia may not occur or may be delayed.***

The Company is the sole equity holder of CWS International, a Russian limited liability company with operations and related assets in Russia that it carries on independently of Calfrac and its other subsidiaries. From March 2022 until the fourth quarter of 2025, CWS International's operations have been classified as discontinued operations in the Company's financial statement in accordance with IFRS. In the fourth quarter of 2025, CWS International's operations were derecognized from the Company's financial statements pursuant to IFRS 10.

While peace talks have been initiated, the conflict in Ukraine continues to have an impact on the international capital markets, global geopolitics and commodity prices. The sanctions by Canada, the United States, the European Union and the United Kingdom, among others, include restrictions on selling or importing goods, services or technology in or from affected regions, travel bans and asset freezes impacting connected individuals and political, military, business and financial organizations in Russia, severing Russia's largest banks from the U.S. financial system and blocking the access of Russian banks to financial markets. These risks are in addition to the other economic and political risks faced by companies with operations in Russia, due to the prevailing financial, legal and social conditions in Russia.

Notwithstanding the derecognition of CWS International's operations for accounting purposes under IFRS 10, the Company's ownership of CWS International could expose the Company to trade and economic sanctions or other restrictions imposed by the Canadian government or other western and allied governments and organizations, such as those set out above or further measures. Such measures and the ongoing conflict in Ukraine have added a level of risk and uncertainty around banking, the Company's ownership and control over its Russian subsidiary, the physical security of property, plant and equipment in Russia, the regulatory approvals to complete a sale transaction and overall business and operational risks.

It is also possible that the Russian government could block the Company's efforts to divest of CWS International or impose onerous conditions on any such divestiture, including with respect to amounts to be received by the Company in respect thereof. If the Company is not able to complete the divestiture of CWS International at a fair price or at all, the Company could face a number of negative consequences, such as, damage to the Company's reputation, the unwillingness of counterparties to continue to work with the Company on the same terms or at all and the inability of certain investors to continue to invest in the Company due to internal or external policies and regulations. These consequences, should they occur, could have a material adverse effect on the Company's assets, business, financial condition, results of operations and

cash flows. The occurrence of any of these events could also have a negative impact on the Company's stock price, whether or not any of these events have a material economic impact on the Company.

Until a divestiture of CWS International is complete, the Company's ownership of CWS International could also result in a number of risks described elsewhere in these Risk Factors being exacerbated, such as the Company's access to capital and cybersecurity threats.

## **BUSINESS OPERATIONS RISKS**

### ***Fleet reinvestment risk.***

The average age of the Company's operating fleet combined with demand for more pumping hours per day by customers and higher pressures and pumping rates result in increased deterioration and wear and tear on the Company's equipment. This, in turn, raises the risk of equipment failure and non-productive time, accelerates the maintenance cycle and increases repairs and expenses for the Company's equipment fleet. Additionally, although Tier II engines (which power a significant portion of the Company's fleet) are grandfathered from an emissions regulations perspective, oil and gas operators are increasingly demanding newer engine technologies of their service providers to meet their operational and sustainability priorities. As a result, the Company will be required to continue to make new investments to modernize its equipment, meet evolving customer preferences and replace end-of-life assets. The failure of the Company to reinvest and continue to modernize its equipment fleet, or to invest in the equipment technologies preferred by its customers, could have a material adverse effect on the Company's business, financial condition, results of operations, and cash flows as well as the Company's reputation, competitiveness, access to capital and market for its securities.

### ***The Company's customer base is concentrated.***

The Company's top five customers accounted for approximately 59% of its revenue for the year ended December 31, 2025, and of such customers, two customers accounted for approximately 19% and 18%, respectively, of total 2025 revenue. There can be no assurance that the Company's relationship with these customers will continue, and a significant reduction or total loss of the business from these customers, if not offset by sales to new or existing customers, would have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

### ***The Company is subject to cybersecurity risks.***

Threats to information technology systems associated with cybersecurity risks and cyber incidents or attacks continue to grow. Cybersecurity attacks could include, but are not limited to, malicious software, attempts to gain unauthorized access to data and the unauthorized release, corruption or loss of data and personal information, account takeovers, and other electronic security breaches that could lead to disruptions in the Company's critical systems. Risks associated with these attacks include, among other things, loss of intellectual property, disruption of the Company's and its customers' business operations and safety procedures, loss or damage to the Company's data delivery systems, unauthorized disclosure of confidential or personal information, increased costs to prevent, respond to or mitigate cybersecurity events and reputational harm. Although the Company uses various procedures and controls to mitigate its exposure to such risks, cybersecurity attacks are evolving. The scale and scope of cybersecurity attacks represents both security and economic risks that could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

### ***Risks Related to Artificial Intelligence and Technology***

The Company's competitiveness depends in part on its ability to evaluate, adopt and integrate new technologies, including AI. AI initiatives may be costly, complex, reliant on data quality and may not deliver expected benefits. AI use also introduces evolving legal, regulatory, privacy, cybersecurity, intellectual property and reputational risks, as well as dependence on third-party technology providers. Failure to adopt new technologies effectively—or to keep pace with competitors or customer expectations—could reduce efficiency, increase costs or result in loss of market share, any of which could have material adverse effect the Company's business, results of operations or financial condition.

### ***Merger and acquisition activity among E&P companies may constrain demand for the Company's services.***

Merger and acquisition activity amongst E&P companies may constrain demand for the Company's services as customers focus on reorganizing their businesses prior to committing funds to exploration and development projects. Further, the acquiring company may have preferred supplier relationships with oilfield service providers other than the Company. Merger and acquisition activity in the oil and gas market could have an adverse effect on the Company's business, financial condition, results of operations and cash flows.

***The Company is susceptible to seasonal volatility in its operating and financial results.***

The Company's business is affected by seasonal factors. Unseasonably warm winter weather in North America may prevent sufficient freezing and the Company might not be able to access well sites. If the weather involves excessively rainy periods in any of the Company's operating areas, equipment moves may be delayed. Historically, the lowest activity in North America was typically experienced during the second quarter of the year when road weight restrictions are in place due to "spring break-up" weather conditions and access to well sites may be reduced in Canada and the broader Rockies region in the U.S. where the Company operates. Activity in the fourth quarter is typically impacted by customer budget exhaustion and seasonal holidays in North America and Argentina coupled with severe winter weather in North America. Over the last few years, a trend has developed in North Dakota and the broader Rockies region in the U.S. for customers to delay the ramp-up of their completion programs in the early part of the year due to increased costs and challenges operating in extreme cold weather that can prevail in the region in January and February. This trend, coupled with well site access enhancements, longer pad completions and the focus of core customers in Canada, has caused a shifting of activity levels for the Company from the first quarter into the second quarter, and in recent years has normalized the impacts of spring-up break-up that had previously been significant. Seasonal volatility due to weather conditions, customer operating preferences and customer budget exhaustion adds a further element of unpredictability to activity and utilization rates, which can have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

***Failure to maintain the Company's safety standards and record.***

Standards for the prevention of incidents in the oilfield services industry are governed by service company safety policies and procedures, accepted industry safety practices, customer specific safety requirements and health and safety legislation. To ensure compliance the Company has developed and implemented safety and training programs which it believes meet or exceed the applicable standards. A key factor considered by customers in retaining oilfield service providers is safety. Deterioration of the Company's safety performance could result in a decline in the demand for the Company's services and could have a material adverse effect on its business, financial condition, results of operations and cash flows.

***Difficulty in retaining, replacing or adding personnel.***

The Company requires skilled labour to meet its needs, and this could limit growth. Shortages of qualified personnel have occurred in the past during periods of high demand. The demand for qualified oilfield services personnel generally increases with stronger demand for oilfield services and as new HP is brought into service. Increased demand typically leads to higher wages that may or may not be reflected in any increases in service rates.

The nature of the Company's work requires skilled employees who can perform physically demanding work. Volatility in the oilfield services industry and the demanding nature of the work, however, may prompt employees to pursue other kinds of jobs that offer a more desirable work environment and wages competitive to the Company's. The Company's success depends on its ability to continue to attract and retain skilled technical personnel and qualified oilfield personnel. If the Company is unable to do so, it could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

***Failure to continuously improve operating equipment, proprietary fluid chemistries and other products and services.***

The ability of the Company to meet its customers' performance and cost expectations will depend upon continuous improvements in operating equipment and proprietary fluid chemistries and the Company's ability to design, develop or source commercially competitive products and services in response to changes in the market, customer requirements and competitive pressures. There can be no assurance that the Company will be successful in its efforts in this regard or that it will have the resources available to meet these continuing needs. Failure by the Company to do so could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

***Extreme weather or drought may impact the Company's operations.***

More frequent and extreme weather events may have financial implications for the Company's business. In addition to increased safety risks for employees, these extreme weather events may adversely impact the Company's business operations and its ability to meet project timelines, materially impacting revenues. Extreme weather events may also adversely affect the financial condition of the Company in the event of increased repair costs resulting from damage to equipment, which may not be insured.

An essential component of the fracturing process is access to water supply. In the event of droughts, there may be increased competition for water in certain areas and government restrictions on the use of water. The inability of the Company's

customers to obtain water to use in the Company's operations could have an adverse effect on the Company's business, financial conditions, results of operations and cash flows.

***Failure to realize anticipated benefits of acquisitions and dispositions.***

The Company considers acquisitions and dispositions of businesses and assets in the ordinary course of business. Any acquisition that the Company completes could have unforeseen and potentially material adverse effects on the Company's financial position and operating results. Some of the risks involved with acquisitions include unanticipated costs and liabilities; difficulty integrating the operations and assets of the acquired business; inability to properly access and maintain an effective internal control environment over an acquired company; potential loss of key employees and customers of the acquired company; and increased expenses and working capital requirements.

The Company may incur substantial indebtedness to finance acquisitions and may also issue equity securities in connection with any such acquisitions. Debt service requirements could represent a significant burden on the Company's results of operations and financial condition and the issuance of additional equity could be dilutive to the Company's shareholders.

Achieving the benefits of acquisitions depends, in part, on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner as well as the Company's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with those of the Company. The integration of an acquired business may require substantial management effort, time and resources and may divert management's focus from other strategic opportunities and operational matters. The inability of the Company to realize the anticipated benefits of acquisitions and dispositions could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

***The Company's reliance on equipment manufacturers, suppliers and fabricators exposes it to risks relating to the timing of delivery and quality of the equipment.***

The Company's ability to meet service requirements in part, depends upon access, timely delivery, pricing and performance of new equipment and component parts. Equipment manufacturers, suppliers and fabricators may be unable to meet their planned delivery schedules for a variety of reasons which may include, but are not limited to, skilled labour shortages, the inability to source component parts in a timely manner, complexity of new technology, supply chain challenges, shortage of transportation and inadequate financial capacity. In addition, upon delivery the equipment may not meet the specifications or operational performance represented by the manufacturer, supplier, and/or fabricator. Failure of equipment manufacturers, suppliers and fabricators to meet their delivery schedules and to provide high quality equipment and component parts at reasonable or competitive pricing may have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

## **FINANCIAL RISKS**

***The Company's access to capital may become restricted or repayment could be required.***

The Company's business plan is subject to the availability of additional financing for future costs of operations or expansion that might not be available or may not be available on favourable terms. If the Company's cash flow from operations is not sufficient to fund its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements on terms acceptable to the Company or at all. The Company's inability to raise capital could impede its growth and could materially adversely affect the business, financial condition, results of operations and cash flows of the Company.

The Company is required to comply with covenants under the Credit Agreement. If the Company does not comply with such covenants, the Company's access to capital could be restricted or repayment could be required. Such non-compliance could result from an impairment charge to the Company's capital assets, which is determined based on management's estimates and assumptions when certain internal and external factors indicate the need for the Company to assess its capital assets balance for impairment. In addition, the Credit Agreement only credits net repatriated cash toward the amount of Bank EBITDA from the Argentina division for financial covenant purposes, which could contribute to a covenant violation if the Company's North American results are insufficient to offset any Adjusted EBITDA generated by Argentina that is excluded from Bank EBITDA. If realized, these risks could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

Even if the Company is able to obtain new financing, it may not be on commercially reasonable terms or terms that are acceptable to the Company. If the Company is unable to continue to pay amounts owing under the Credit Agreement when

due, the lenders could proceed to foreclose or otherwise realize upon any collateral granted to them to secure the indebtedness. The acceleration of the Company's indebtedness under one agreement may permit acceleration of indebtedness under other agreements that contain cross-default or cross-acceleration provisions. In addition, operating and financial restrictions exist under the Credit Agreement which include restrictions on the payment of dividends, repurchase or making of other distributions with respect to the Company's securities, incurrence of indebtedness, provision of guarantees, and entering into of certain transactions, among others.

***The Company's direct and indirect exposure to volatile credit markets.***

The ability to make scheduled debt repayments, refinance debt obligations and access financing depends on the Company's financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to certain finance, business and other factors beyond its control. In addition, the Company's ability to refinance debt obligations and access financing may be affected by credit ratings assigned to the Company and its debt. Continuing volatility in the credit markets could increase costs associated with debt instruments due to increased spreads over relevant interest rate benchmarks, or affect the ability of the Company, or third parties it seeks to do business with, to access those markets.

In addition, access to further financing for the Company or its customers remains uncertain. This condition could have an adverse effect on the industry in which the Company operates and its business, including future operating results. The Company's customers may curtail their drilling and completion programs, which could decrease demand for the Company's services and could increase downward pricing pressures. Further, certain customers could become unable to pay suppliers, including the Company, in the event they are unable to access the capital markets to fund their business operations. Such risks, if realized, could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

***Fluctuations in currency exchange rates.***

The Company's financial statements are reported in Canadian dollars. Accordingly, the results of the Company's operations in the U.S. and Argentina are directly affected by fluctuations in the exchange rates for U.S. dollars and Argentinean pesos. For example, financial results from the Company's U.S. operations are denominated in U.S. dollars, so a decrease in the value of the U.S. dollar would decrease the Canadian dollar amount of such financial results from U.S. operations. The same is true in relation to the Argentinean peso. In addition, the new Argentinean government is implementing significant monetary, banking and other policy reforms, which may impact the value of the currency compared to the U.S. dollar and could adversely affect the Company's financial condition and result of operations from Argentina if such measures are not successful.

***Price escalation and availability of raw materials, diesel fuel and component parts.***

The Company and the industry worldwide continue to experience supply constraints and combat inflationary pricing of raw materials, such as proppant, chemicals, fuel and component parts, which can make it difficult to meet the demands of and provide fixed pricing for customers. Availability of and increased costs of raw materials, fuel and component parts will continue to be a challenge faced by the Company, particularly if there is prolonged closure of the Strait of Hormuz or if trade tensions with the U.S. persist, and may not be easily countered by price increases to customers in a highly competitive environment. Availability of raw materials, fuel and component parts and the price escalation thereof, could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows. See "*Geopolitical Risk - The Company's operations could be materially impacted by changes to the global trading system*" above.

***Actual results may differ materially from management estimates and assumptions.***

In preparing the Company's consolidated financial statements in accordance with International Financial Reporting Standards, estimates and assumptions are used by management to determine the reported amounts of assets and liabilities, revenues and expenses recognized during the periods presented and disclosures of contingent assets and liabilities known to exist as of the date of the financial statements. These estimates and assumptions must be made because certain information that is used in the preparation of such financial statements is dependent on future events, cannot be calculated with a high degree of precision from data available, or is not capable of being readily calculated based on generally accepted accounting. In some cases, where estimates are particularly difficult to determine, the Company must exercise significant judgement. Estimates may be used in management's assessment of items such as allowance for doubtful accounts, impairment or reversal of impairment of assets, net realizable value of inventory, depreciation, functional currency of foreign subsidiaries, fair value of financial instruments, determination of cash-generating units (CGUs), income taxes, share-based payments and litigation. Actual results for all estimates could differ materially from the estimates and assumptions

used by the Company, which could have a material adverse effect on the Company's business, financial condition, results of operations, or cash flows.

***Two directors of the Company control a significant number of common shares and could limit the Company's ability to access public equity markets at desired prices or at all.***

Armco Alberta Inc., a wholly-owned subsidiary of G2S2 and a company controlled by George and Simé Armoyan, and MATCO Investments Ltd. ("MATCO"), a company controlled by Ronald P. Mathison, each of whom is a director of the Company, hold a significant number of common shares. Mr. Armoyan, through his companies controls approximately 36% of the common shares and Mr. Mathison personally and through MATCO controls approximately 11% of the common shares. G2S2 and MATCO are parties to the Registration Rights Agreement which provides for the right to cause the Company to register a prospectus qualifying the sale of common shares held by those companies. If G2S2 or MATCO exercise their rights under the Registration Rights Agreement or otherwise sell substantial amounts of their common shares in the public equity market, the market price of common shares could decrease and limit the Company's access to capital through public equity markets. The perception in the public market that G2S2, MATCO or their affiliates may sell their common shares could also create a perceived overhang and depress the market price of the common shares and further limit the Company's access to capital through public equity markets.

***Any additional equity or debt securities issued by the Company could be dilutive to the Company's shareholders.***

In the future, the Company may issue additional securities to raise capital or additional securities convertible into common shares. The Company may also acquire interests in other companies by using a combination of cash and common shares or just common shares. The Company may also attempt to increase its capital resources by making additional offerings of debt, including senior or subordinated notes. The Company's decision to issue securities in any future offering will depend on market conditions and other factors beyond its control, as a consequence the Company cannot predict or estimate the amount, timing or nature of future offerings. Thus, holders of common shares bear the dilution risk of the Company's future offerings of securities reducing the market value of common shares.

***Changes in tax rates and reassessment risk by tax authorities of the Company's income or loss calculations.***

The Company is subject to tax rates in the jurisdictions where it operates which may be subject to material change. Additionally, the Company files all required income tax returns and believes that it is in full compliance with the provisions of applicable taxation legislation in the jurisdictions where it operates. However, tax authorities having jurisdiction over the Company may disagree with how the Company calculates its income (loss) for tax purposes or could change administrative practices to the Company's detriment. A material change in tax rates or a successful reassessment of the Company's income tax filings by a tax authority may have an impact on current and future taxes payable, which could have a material adverse effect on the Company's financial condition and cash flows.

## **LEGAL AND REGULATORY RISKS**

***The Company is subject to health, safety and environmental laws and regulations that may require it to make substantial expenditures or cause it to incur substantial liabilities.***

The Company is subject to increasingly stringent and complex federal, provincial, state and local laws and regulations relating to the importation, release, transport, handling, storage, disposal and use of, and exposure to, hazardous and radioactive materials, and the protection of employees and the environment, including laws and regulations governing occupational health and safety standards, air emissions, chemical usage, water discharges, waste management and plant and wildlife protection. The Company incurs, and expects to continue to incur, significant capital, managerial and operating costs to comply with such health, safety and environmental laws and regulations. Violation of these laws and regulations could lead to loss of accreditation, damage to the Company's social license to operate, loss of access to markets and substantial fines and penalties which could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

The Company's operations involve hazardous materials and regulated waste. The Company has implemented waste-reduction initiatives and takes precautions to prevent environmental releases during operations and material handling. As a service provider to oil and natural gas producers, and as a current or former owner of industrial properties, the Company may be subject to environmental claims. Environmental laws may impose joint, several, and strict liability for contamination, regardless of fault. Increased enforcement, new regulations, or the discovery of unknown contamination could result in material remediation costs or liabilities that may adversely affect the Company's earnings and cash flows.

***The Company is subject to legal and administrative proceedings.***

From time to time, the Company is involved in legal and administrative proceedings which are usually related to operational or labour issues. Due to the conflict in Ukraine, the Company also faces increased legal risk in respect of its ownership of CWS International. In addition, there are legal proceedings underway, and may be additional proceedings, against the Company relating to the business of Denison prior to its acquisition of and amalgamation with CWSL in 2004. See "*Legal and Regulatory Proceedings*".

The results of such proceedings, or any new proceedings that may be commenced with respect to the Company or its business cannot be determined with certainty. The Company's assessment of the likely outcome of such matters is based on advice from external legal advisors, which is based on their judgment of various factors including the applicable legal or administrative framework, precedents, relevant financial and operational information and other evidence and facts specific to the matter as known at the time of the assessment. If these matters, or any matters which the Company may be subject to in the future, were to be determined in a manner adverse to the Company or if the Company elects to settle one or more of such matters, it could have a material adverse effect on the Company, its business, financial condition, results of operations and cash flows.

***Federal, provincial and state legislative and regulatory initiatives and laws relating to oil and gas exploration and development and/or hydraulic fracturing processes.***

The Canadian federal government, the United States Congress, the United States Environmental Protection Agency and other regulatory agencies in the United States continue to conduct investigations regarding the use and lifecycle of stimulation water and chemicals in the hydraulic fracturing process and the potential impacts on human health and the environment. In addition, most provincial, state and local governments with jurisdiction over oil and gas development have undertaken similar investigations and have implemented various conditions, rules, regulations and restrictions on hydraulic fracturing operations rather than waiting for federal implementation. Petitions and bills that assert that the fracturing process could adversely affect surface and/or groundwater supplies, air quality and seismic events have been introduced in Congress and state legislatures. The proposed statutes have historically aimed to repeal the exemption for hydraulic fracturing under the *Safe Drinking Water Act* or enact moratoriums and/or bans on the use of hydraulic fracturing in the hydrocarbon extraction process. Legislative and regulatory requirements currently in place or scheduled to become effective in certain provinces and/or states in 2024 continue to include requirements regarding local government consultation, increased wellhead and pad setback distances, public and landowner notification and involvement, withdrawal of water for use in hydraulic fracturing of horizontal wells, baseline testing of nearby water wells, restrictions on which additives may be used, reporting with respect to spills, mandatory visual and noise mitigation measures as well as temporary or permanent bans on hydraulic fracturing. These types of requirements could subject the Company to increased costs, delays, limits on the productivity of certain wells and, possibly, limits on its ability to deploy its technology.

The adoption of federal, provincial, state or local laws and regulations, including any that flow from court decisions in any of the jurisdictions in which the Company or its customers operate, may also limit oil and gas exploration, and by extension demand for the Company's services. The implementation of new regulations restricting approvals or placing limitations on oil and gas development could have a material adverse effect on the Company, its business, financial conditions, results of operations and cash flows.

***The direct and indirect impacts of various climate change regulations, existing and proposed.***

The Company and its customers are subject to evolving climate-change and energy-transition legislation, regulation, and policy initiatives in Canada, the United States, and other jurisdictions. These measures may increase operating or capital costs, impose emissions-reduction or methane-management requirements, expand climate-related disclosure obligations, restrict certain activities, or otherwise affect market conditions and demand for the Company's services. Climate policy frameworks remain uncertain and subject to political and regulatory change, resulting in a fragmented and evolving compliance environment. The Company's failure to comply with, or adapt to, such requirements could have a material adverse effect on its business, financial condition, results of operations, and cash flows.

**ADDITIONAL INFORMATION**

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issue under equity compensation plans, is contained in the Company's management information circular for the annual meeting of shareholders held on May 15, 2025.

Additional financial information is provided in the Company's comparative financial statements and management's discussion and analysis for the year ended December 31, 2025.

Additional information relating to the Company may be found on SEDAR+ under Calfrac's issuer profile.

## GLOSSARY OF TERMS

**1.5 Lien Notes** means the Company's \$60.0 million principal amount of 10.00% 1.5 lien senior secured convertible payment-in-kind notes due 2023 issued to certain investors pursuant to the Recapitalization Transaction.

**ABCA** means the *Business Corporations Act* (Alberta), as amended.

**Adjusted EBITDA** means net income or loss for the period adjusted for interest, income taxes, depreciation and amortization, foreign exchange losses (gains), non-cash stock-based compensation, and gains and losses that are extraordinary or non-recurring.

**AI** means artificial intelligence.

**AIF** means this Annual Information Form.

**Annual Financial Statements** means the audited consolidated financial statements of Calfrac for the year ended December 31, 2025, together with the notes thereto and the auditor's report thereon.

**Annual MD&A** means the Management Discussion and Analysis dated March 18, 2026, in conjunction with the Annual Financial Statements.

**Bank EBITDA** is calculated for purposes of the Company's financial covenants under the Credit Agreement and means, for the relevant period, Adjusted EBITDA generated in North America plus net cash repatriated from Argentina less IFRS 16 lease payments.

**Board** means board of directors of Calfrac Well Services Ltd.

**Calfrac or the Company** means Calfrac Well Services Ltd., a corporation continued under the CBCA.

**Calfrac Corp.** means Calfrac Well Services Corp., a Colorado corporation and the U.S. operating entity for the Company.

**Calfrac Holdings** means Calfrac Holdings LP, a now dissolved Delaware limited liability partnership, which was the issuer of the Second Lien Notes and former guarantor of the Credit Agreement.

**CBCA** means the *Canada Business Corporations Act*, as amended.

**CCI** means Calfrac (Canada) Inc., an Alberta corporation and former general partner of Calfrac Holdings and successor of Calfrac Holdings' obligations as guarantor under the Credit Agreement.

**CEO** means Chief Executive Officer.

**common shares** means the common shares in the capital of the Company.

**Credit Agreement** means the Amended and Restated Credit Agreement dated August 7, 2025, among Calfrac, as borrower, and RBC and certain other financial institutions, as lenders, and RBC as agent of the lenders, as amended, and includes all predecessor credit agreements, facilities or similar loan arrangements between the same or any subset of such parties relating to the subject matter thereof.

**Credit Facilities** means the Company's credit facilities pursuant to the Credit Agreement, as further described under the heading "*Description of Capital Structure – Revolving Credit Facilities*".

**CWS International** means CWS International LLC, a Russian limited liability company.

**CWSL** means Calfrac Well Services Ltd., a private corporation formed under the ABCA on June 28, 1999.

**Denison** means Denison Energy Inc., the public predecessor entity to the Company, which acquired CWSL by reverse take-over transaction and amalgamated with CWSL on March 24, 2004, changed its name to Calfrac Well Services Ltd. and continued under the ABCA.

**DUC** means drilled but uncompleted wells.

**EIA** means Energy Information Administration.

**E&P** means oil and natural gas exploration and production.

**Funded Debt** means Total Debt excluding, as applicable, all outstanding Second Lien Notes and 1.5 Lien Notes.

**G2S2** means G2S2 Capital Inc., a company controlled by George and Simé Armoian.

**GDP** means gross domestic product.

**HP** means horsepower.

**HSBC** means HSBC Bank Canada.

**HSE** means health, safety and environment.

**IFRS** means International Financial Reporting Standards.

**IFRS 10** means *IFRS 10 - Consolidated Financial Statements* that establishes the principles for presenting and preparing consolidated financial statements in accordance with IFRS when an entity controls one or more other entities.

**Interest Coverage Ratio** means the ratio of Bank EBITDA for the trailing twelve months to net interest expense as reported under IFRS.

**Investor Rights Agreement** means the Investor Rights Agreement made effective December 18, 2020, among the Company, G2S2, MATCO, and certain other investors in the 1.5 Lien Notes, as amended effective July 19, 2022, pursuant to which the Company agreed to grant board nomination rights and anti-dilution rights to such investors.

**LNG** means liquified natural gas.

**LTIF** means Lost Time Incident Frequency which is a lagging indicator that determines the injury rate based on the number of lost time injuries and the total number of hours worked in a year.

**MATCO** means MATCO Investments Ltd., a company controlled by Ronald P. Mathison.

**MMBpd** means million barrels of oil per day.

**MMBtu** means million British thermal units.

**Modern Slavery Act** means Fighting Against Forced Labour and Child Labour in Supply Chains Act .C. 2023, c.9.

**OPEC** means Organization of Petroleum Exporting Countries.

**OPEC+** means a group consisting of the traditional OPEC member countries along with several other major non-OPEC oil-producing nations.

**RBC** means Royal Bank of Canada.

**Recapitalization Transaction** means the recapitalization transaction completed by the Company on December 18, 2020, pursuant to a plan of arrangement under Section 192 of the CBCA, as further described in the Company's Material Change Report dated December 24, 2020, which is incorporated herein by reference and is available on SEDAR+ under Calfrac's issuer profile.

**Registration Rights Agreement** means the Registration Rights Agreement made effective December 18, 2020, among the Company, G2S2, MATCO, and certain other investors in the 1.5 Lien Notes pursuant to which the Company granted certain customary demand and "piggy-back" registration rights in respect of the common shares held by such investors.

**Rights Offering** has the meaning set out under the heading "*Description of the Business - Three Year History - 2025*".

**Russia Regulations** has the meaning set out under the heading "*CWS International LLC*".

**Second Lien Notes** means the US\$120,000,100 aggregate principal amount of 10.875% second lien secured notes due 2026 issued by Calfrac Holdings on February 14, 2020 with a maturity date of March 15, 2026.

**SEDAR Plus or SEDAR+** means the system for the transmission of documents known as the System for Electronic Data Analysis and Retrieval +, as implemented by the Canadian Securities Administrators under National Instrument 13-303 and located at [www.sedarplus.ca](http://www.sedarplus.ca).

**Standby Purchaser** has the meaning set out under the heading "*Interests of Interests of Management and Others in Material Transactions*".

**Standby Shares** has the meaning set out under the heading "*Interests of Interests of Management and Others in Material Transactions*".

**Term Loan** means the \$120.0 million delay draw term facility pursuant to the Credit Agreement.

**Tesla** means Tesla Exploration Ltd.

**Tier IV DGB** means Tier IV dual fuel capable dynamic gas blending engines.

**Total Debt** means bank loans and long-term debt (before unamortized debt issuance costs and debt discount) plus outstanding letters of credit as reported on the Company's consolidated balance sheet in accordance with IFRS.

**TRIF** means Total Recordable Incidence Frequency which is a lagging indicator that determines the injury rate based on the number of recordable injuries and the total number of hours worked in a year.

**TSX** means the Toronto Stock Exchange.

**U.S.** means the United States of America.

**USMCA** means the United States-Mexico-Canada Agreement entered into force on July 1, 2020, which substituted the North America Free Trade Agreement (NAFTA).

**Warrants** means the approximately 5.8 million common share purchase warrants issued to shareholders in connection with the Recapitalization Transaction.

**WTI** means West Texas Intermediate.

## APPENDIX "A"

### CALFRAC WELL SERVICES LTD.

#### AUDIT COMMITTEE CHARTER

1. **Calfrac Audit Committee:** The board of directors (the "Board") of Calfrac Well Services Ltd. ("Calfrac") shall appoint an audit committee (the "Committee") that shall have the mandate and responsibilities set out in this charter.
2. **Membership:** The Committee shall be constituted as follows.
  - (a) The Committee shall be composed of not less than three members.
  - (b) All members of the Committee shall be independent within the meaning set forth in National Instrument 52-110 – Audit Committees ("NI 52-110").
  - (c) Each member of the Committee shall be financially literate, as defined in NI 52-110. At the date of adoption of this charter, a member is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by Calfrac's financial statements.
  - (d) Members shall be appointed annually from among members of the Board. A member of the Committee shall cease to be a member of the Committee upon ceasing to be a director of Calfrac.
3. **Mandate:** The mandate of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to
  - (a) Calfrac's financial statements and other financial information disclosed by Calfrac to the public,
  - (b) Calfrac's compliance with legal and regulatory requirements for financial reporting purposes, and
  - (c) the performance of Calfrac's external auditor.

The external auditor shall report directly to the Committee but is ultimately accountable to the Board, which has the ultimate authority and responsibility to select, evaluate and, where appropriate, replace the external auditor (or to nominate the external auditor to be appointed by the shareholders of Calfrac).
4. **Oversight Responsibility:** Subject to the powers and duties of the Board and in addition to any other duties and responsibilities assigned to the Committee from time to time by the Board, the Committee shall have responsibility for overseeing
  - (a) the accounting and financial reporting processes of Calfrac, and
  - (b) audits of the financial statements of Calfrac.
5. **Specific Duties and Responsibilities:** The Committee shall meet with the external auditor and the senior management of Calfrac to review all financial statements of Calfrac that require approval by the Board and shall have authority and responsibility for the following matters.
  - (a) Review Calfrac's financial statements, management's discussion and analysis of financial condition and results of operations ("MD&A") and annual and interim earnings press releases before Calfrac publicly discloses this information.
  - (b) Oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for Calfrac, including the resolution of disagreements between management and the external auditor regarding financial reporting.

- (c) Review annually and recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for Calfrac, as well as the compensation of such external auditor.
- (d) Discuss with the external auditor
  - (i) the scope of the audit, in particular the external auditor's view of Calfrac's accounting principles as applied in the financial statements in terms of disclosure quality and evaluation methods, inclusive of the clarity of Calfrac's financial disclosure and reporting, degree of conservatism or aggressiveness of Calfrac's accounting principles and underlying estimates, and other significant decisions made by management in preparing the financial statements reviewed by the external auditor,
  - (ii) significant changes in Calfrac's accounting principles, practices or policies, and
  - (iii) new developments in accounting principles, reporting matters or industry practices that may materially affect Calfrac.
- (e) Review with the external auditor and Calfrac's senior management the results of the annual audit regarding
  - (i) the financial statements,
  - (ii) MD&A and related financial disclosure contained in continuous disclosure documents,
  - (iii) significant changes, if any, to the initial audit plan,
  - (iv) accounting and reporting decisions relating to significant current year events and transactions,
  - (v) the management letter, if any, outlining the external auditor's findings and recommendations, together with management's response, with respect to internal controls and accounting procedures, and
  - (vi) any other matters relating to the conduct of the audit, including such other matters as should be communicated to the Committee under generally accepted auditing standards.
- (f) Receive from the external auditor a formal written statement delineating all relationships between the external auditor and Calfrac, consider whether the advisory services performed by the external auditor during the course of the year have affected its independence, and ensure that no relationship or service between the external auditor and Calfrac is in existence that may affect the objectivity and independence of the external auditor or recommend appropriate action to ensure the independence of the external auditor.
- (g) Pre-approve all non-audit services to be provided to Calfrac or its subsidiaries by the external auditor or the external auditor of Calfrac's subsidiaries, provided that the Committee may satisfy the pre-approval requirement either by delegating to one or more members of the Committee the authority to pre-approve non-audit services or by adopting specific policies and procedures for the engagement of non-audit services.
- (h) Satisfy itself that adequate procedures are in place for the review of Calfrac's public disclosure of financial information extracted or derived from Calfrac's financial statements, other than the public disclosure referred to in subsection (a) above, and periodically assess the adequacy of those procedures.
- (i) Review with the internal and external auditors the adequacy of management's internal control over financial reporting and management information systems, discuss with management and the internal and external auditors any significant risks and exposures to Calfrac that may have a material adverse effect on Calfrac's financial statements, and review with the internal and external auditors the efforts of management to mitigate such risks and exposures.

- (j) Review the updates provided by management on the Company's significant tax matters.
  - (k) Report to the Board regarding Calfrac's annual or interim audited financial statements, MD&A and press releases for each reporting period before Calfrac publicly discloses this information and indicate whether
    - (i) management has reviewed Calfrac's annual and interim financial statements, MD&A and press release with the Committee, including any significant adjustments, management judgments or estimates, and new or amended accounting policies affecting the financial statements,
    - (ii) the external auditor and the Committee have discussed the external auditor's judgments of the quality of the accounting principles applied and the judgments or estimates made, and new or amended accounting policies with respect to Calfrac's financial statements,
    - (iii) the Committee has, without the presence of management or the external auditor, considered and discussed all the information disclosed to the Committee by Calfrac's management and the external auditor, and
      - (i) in reliance on review and discussions conducted with senior management and the external auditor, the Committee believes that Calfrac's financial statements are fairly presented in conformity with generally accepted accounting principles in all material respects and that the financial statements fairly reflect the financial condition of Calfrac.
  - (l) Establish procedures for
    - (i) the receipt, retention and treatment of complaints received by Calfrac regarding accounting, internal accounting controls, or auditing matters,
    - (ii) the confidential, anonymous submission by employees of Calfrac of concerns regarding the manner in which Calfrac conducts its business, including violations of law, rules, regulations or Calfrac's Code of Business Conduct, and concerns regarding accounting, internal accounting controls or auditing matters, as required under NI 52-110, and
    - (iii) review submissions under the Whistleblower Policy.
  - (m) Review all complaints, confidential, anonymous and otherwise, received by Calfrac regarding the manner in which Calfrac conducts its business, including violations of law, rules, regulations or Calfrac's Code of Business Conduct, and concerns regarding accounting, internal accounting controls or auditing matters, as required under NI 52-110. Review management's investigation and resolution of said complaints.
  - (n) Review and approve Calfrac's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor.
  - (o) Review annually and report to the Board on the adequacy of the Committee's charter.
6. Administrative Matters: The following provisions shall apply to the Committee.
- (a) The quorum for meetings of the Committee shall be two members thereof. Business may be transacted by the Committee at a meeting of its members at which a quorum is present or by a resolution in writing signed by all the members of the Committee.
  - (b) Any member of the Committee may be removed or replaced at any time by the Board. If a vacancy exists on the Committee, the remaining members may exercise all of the powers of the Committee so long as a quorum remains. Subject to the foregoing, each member of the Committee shall hold office until the close of the next annual meeting of shareholders following the date of appointment as a member or until a successor is duly appointed.
  - (c) The Committee may invite such officers, directors and employees of Calfrac and other persons as it may see fit from time to time to attend at meetings of the Committee and to assist thereat in the discussion

of matters being considered by the Committee. The external auditor is to appear before the Committee when requested to do so by the Committee.

- (d) The Committee shall determine the time and place at which the Committee meetings shall be held and the procedure for calling and conducting business at such meetings, having regard to the by-laws of Calfrac.
- (e) The chair of the Committee shall preside at all meetings of the Committee. In the absence of the chair, the members of the Committee present at a meeting shall appoint one of those members to act as chair for that particular meeting.
- (f) Notice of meetings of the Committee may be given to the external auditor and shall be given in respect of meetings relating to the annual financial statements. Upon the request of the external auditor, the chair of the Committee shall convene a meeting of the Committee to consider any matters that the external auditor indicates should be brought to the attention of the directors of Calfrac.
- (g) The Committee shall report to the Board on such matters and questions relating to the financial position of Calfrac or any subsidiaries of Calfrac as the Board may from time to time refer to the Committee.
- (h) The members of the Committee shall, for the purpose of performing their duties, have the right to inspect all the books and records of Calfrac and its subsidiaries, and to discuss such books and records as are in any way related to the financial position of Calfrac with the officers, employees and external auditor of Calfrac and its subsidiaries.
- (i) Minutes of Committee meetings shall be recorded and maintained. The chair of the Committee shall report to the Board on the activities of the Committee and the minutes of Committee meetings will be circulated to the directors who are not members of the Committee on a timely basis.
- (j) The Committee shall have the authority
  - (i) to engage independent counsel and other advisers that it determines to be necessary to permit it to carry out its duties,
  - (ii) to set and pay the compensation for any advisers engaged by the Committee, and
  - (iii) to communicate directly with the internal (if any) and external auditors.

Reviewed by the Committee and approved by the Board on March 18, 2026.