



**2025  
ANNUAL  
REPORT**

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## CALFRAC WELL SERVICES LTD.

### ANNUAL AND SPECIAL MEETING

May 12, 2026

1:30 pm

Cardium Room

Calgary Petroleum Club

319 - 5th Avenue SW

Calgary, Alberta

## CEO'S MESSAGE

To Our Valued Stakeholders:

It is an honor to write to you for the first time as Chief Executive Officer of Calfrac Well Services Ltd. Having joined the Company in September 2025 and assumed the CEO role in February 2026, I am both proud and motivated to lead this respected energy services business into its next chapter of performance and growth.

Calfrac enters 2026 in a stronger financial and operational position. In 2025, our teams navigated dynamic industry conditions while strengthening our balance sheet, enhancing our strategic position in the high-growth Vaca Muerta shale play in Argentina, and completing our fleet modernization program in North America. As we work through the coming year, we remain grounded in three key priorities: safety, operational excellence and disciplined business optimization.

### OUR HIGHEST PRIORITY: AN UNWAVERING COMMITMENT TO SAFETY

No priority outweighs the safety of our people. Our teams continue to maintain an excellent safety record, and I want to acknowledge their dedication to working safely in complex, high-pressure operating environments. Safety is foundational to our culture. It is embedded in every job we undertake, every procedure we follow, and every decision we make. As we optimize our business, we will continue to invest in training, technology, and leading practices – ensuring our employees return home safely every day.

### OPERATIONAL EXCELLENCE: THE FOUNDATION OF CALFRAC

Operational excellence has always defined Calfrac, and it remains the backbone of our strategy. In 2025, consistent and strong field execution and service quality contributed to meaningful improvements in Adjusted EBITDA and free cash flow, enabling a significant reduction in our long-term debt. Looking ahead, we will continue to strategically evaluate and integrate advanced data solutions and next-generation technologies to ensure we continue to meet our high standards of performance and the evolving operational needs of our customers.

### BUSINESS OPTIMIZATION: LEVERAGING ANALYTICS AND OPERATIONAL INSIGHTS

Our efforts to advance our strategy and strengthen Calfrac's business will be supported by rigorous analytical reporting and disciplined business insights. Applying a structured approach to business planning and execution will improve decision-making and enhance our ability to generate sustainable free cash flow throughout all aspects of the cycle. We will achieve this by:

- Using high-quality operational and financial data to inform better decision-making;
- Applying enhanced performance metrics to drive accountability and profitability; and
- Allocating capital to the opportunities that create the greatest long-term value for shareholders.

### BUILDING MOMENTUM FOR THE FUTURE

Under my leadership, Calfrac will continue to harness the relentless drive and entrepreneurial spirit that established safety and operational excellence as our hallmarks, while bringing a heightened level of data-driven analysis and strategic insight to every aspect of our business.

Calfrac enters its next chapter with strong momentum, a focused strategy, and a talented team committed to delivering exceptional results. As the energy landscape evolves, we are well prepared to support our customers in developing world-class resource plays across North America and Argentina. I am confident that our disciplined approach, culture of safety and commitment to excellence in the field will generate meaningful, long-term value for our shareholders.



Tyler Dahlseide  
Chief Executive Officer

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) for Calfrac Well Services Ltd. ("Calfrac" or the "Company") has been prepared by management as of March 18, 2026 and is a review of the Company's financial condition and results of operations based on International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

The focus of this MD&A is a comparison of the financial performance for the three months and years ended December 31, 2025 and 2024. It should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2025, as well as the audited consolidated financial statements and MD&A for the year ended December 31, 2024.

Readers should also refer to the "Forward-Looking Statements" legal advisory at the end of this MD&A. All financial amounts and measures presented are expressed in Canadian dollars unless otherwise indicated. The definitions of certain non-GAAP measures used are included on page 19.

### CALFRAC'S BUSINESS FROM CONTINUING OPERATIONS

Calfrac is an independent provider of specialized oilfield services, including hydraulic fracturing and coiled tubing in North America, as well as hydraulic fracturing, coiled tubing, cementing and wireline services in Argentina.

The Company's operating segments during the three months ended December 31, 2025, were as follows:

Segment	Active (000's hp)	Idle (000's hp)	Total (000's hp)
North America	864	189	1,053
Argentina	168	—	168
Total	1,032	189	1,221

- 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 Colorado, the Uinta Basin in Utah, and the Powder River Basin in 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 to a diverse group of oil and natural gas exploration and production companies operating in the Western Canadian Sedimentary Basin, primarily in Alberta and northeast British Columbia. At December 31, 2025, Calfrac's North America segment had active and total horsepower of approximately 0.9 million and 1.1 million, respectively. The Company also had five active coiled tubing units in North America.
- Calfrac's Argentina segment provides fracturing, coiled tubing, cementing, and other well stimulation services to oil and natural gas companies operating in the Neuquén and Comodoro Rivadavia regions. The Company operated approximately 168,000 active and total horsepower, nine active cementing units, and five active coiled tubing units in Argentina at December 31, 2025. The Company also had one active wireline unit in Argentina.

**HIGHLIGHTS – CONTINUING OPERATIONS**

Years Ended December 31, (C\$000s, except per share amounts)	2025 (\$)	2024 (\$)	Change (%)
(unaudited)			
Revenue	<b>1,387,933</b>	1,567,482	(11)
Adjusted EBITDA <sup>(1)</sup>	<b>224,705</b>	190,994	18
Cash flows provided by operating activities	<b>195,422</b>	128,495	52
Capital expenditures	<b>132,525</b>	170,289	(22)
Net income	<b>41,933</b>	8,535	NM
Per share – basic	<b>0.48</b>	0.10	NM
Per share – diluted	<b>0.48</b>	0.10	NM
Cash and cash equivalents	<b>6,664</b>	44,045	(85)
Working capital, calculated as:			
Excluding cash and cash equivalents and the current portion of long-term debt	<b>189,304</b>	229,856	(18)
Including cash and cash equivalents and the current portion of long-term debt	<b>155,968</b>	123,901	26
Total assets, end of year	<b>1,047,199</b>	1,234,840	(15)
Long-term debt, end of year	<b>203,425</b>	320,908	(37)
Net debt <sup>(1)(2)</sup>	<b>215,274</b>	300,347	(28)
Total consolidated equity, end of year	<b>664,279</b>	653,330	2

<sup>(1)</sup> Refer to “Non-GAAP Measures” on page 19 for further information.

<sup>(2)</sup> Refer to note 14 of the annual consolidated financial statements for further information.

**2025 OVERVIEW**

In 2025, the Company:

- generated revenue of \$1.4 billion, a decrease of 11 percent from 2024 resulting primarily from lower activity and pricing in North America, offset partially by higher activity in Argentina;
- reported Adjusted EBITDA of \$224.7 million versus \$191.0 million in 2024, mainly as a result of a larger operating scale in Argentina, offset partially by lower utilization in North America;
- generated cash flow from operating activities of \$195.4 million compared to \$128.5 million in 2024. The increase in cash generation reflected better operating results in Argentina as well as improvements in working capital management;
- reported net income from continuing operations of \$41.9 million or \$0.48 per share diluted, compared to net income of \$8.5 million or \$0.10 per share diluted in 2024;
- closed a Rights Offering for net proceeds of \$34.7 million which were used in conjunction with the drawdown of the Company’s \$120.0 million Term Loan to repay Calfrac’s outstanding US\$120.0 million Second Lien Notes;
- reduced net debt since the beginning of the year by 28 percent to \$215.3 million;
- incurred capital expenditures of \$132.5 million, which included \$96.4 million of expansion capital in Argentina and the the Company’s fracturing fleet modernization program in North America, including auxiliary support equipment; and
- decreased period-end working capital, excluding cash and cash equivalents and current portion of long-term debt, to \$189.3 million from \$229.9 million at December 31, 2024, primarily due to a reduction in inventory on hand, which also included an \$8.5 million impairment that was recorded in the fourth quarter to write-off obsolete inventory to its net realizable amount.

## FINANCIAL OVERVIEW – CONTINUING OPERATIONS

### YEARS ENDED DECEMBER 31, 2025 VERSUS 2024

#### NORTH AMERICA

Years Ended December 31,	2025	2024	Change
<i>(C\$000s, except operational and exchange rate information)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(%)</i>
<i>(unaudited)</i>			
Revenue	<b>953,174</b>	1,161,588	(18)
Adjusted EBITDA <sup>(1)</sup>	<b>104,610</b>	123,764	(15)
Adjusted EBITDA (%) <sup>(1)</sup>	<b>11.0</b>	10.7	3
Fracturing revenue per job (\$)	<b>29,440</b>	35,481	(17)
Number of fracturing jobs	<b>31,266</b>	31,766	(2)
Active pumping horsepower, end of period (000s)	<b>864</b>	1,018	(15)
Idle pumping horsepower, end of period (000s)	<b>189</b>	—	NM
Total pumping horsepower, end of period (000s)	<b>1,053</b>	1,018	3
Active coiled tubing units, end of period (#)	<b>5</b>	6	(17)
Idle coiled tubing units, end of period (#)	<b>1</b>	—	—
Total coiled tubing units, end of period (#)	<b>6</b>	6	—
US\$/C\$ average exchange rate <sup>(2)</sup>	<b>1.3978</b>	1.3698	2

<sup>(1)</sup> Refer to "Non-GAAP Measures" on page 19 for further information.

<sup>(2)</sup> Source: Bank of Canada.

#### REVENUE

Revenue from Calfrac's North American operations decreased to \$953.2 million during 2025 from \$1.2 billion in 2024. The Company's North American activity in 2025 was impacted by extreme cold weather during the first quarter and a decrease in oil-based completions due to lower commodity prices. To address the seasonal challenges experienced in the Rockies region, the Company reduced its North American operating footprint during the first quarter in 2025 and also transferred a fracturing fleet into the natural gas-focused Appalachian basin at the beginning of the year. Pricing in North America was also lower relative to the comparable period in 2024, which contributed to the 18 percent reduction in revenue. Further, there was a shift in job mix resulting in a larger number of smaller jobs being completed in western Canada which also impacted the reported fracturing revenue per job. Coiled tubing revenue was approximately 5 percent lower as compared to 2024 primarily due to lower activity combined with the completion of smaller jobs.

#### ADJUSTED EBITDA

The Company's operations in North America generated Adjusted EBITDA of \$104.6 million during 2025 compared to \$123.8 million in 2024. This decrease in Adjusted EBITDA was primarily due to lower fracturing fleet utilization over a smaller operating footprint in North America combined with a decrease in year-over-year pricing levels. The Company was able to offset some of the decline in Adjusted EBITDA by reducing its fixed cost structure by approximately 10 percent to better align with activity levels and a lower pricing environment.

## ARGENTINA

Years Ended December 31,	2025	2024	Change
<i>(C\$000s, except operational and exchange rate information)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(%)</i>
<i>(unaudited)</i>			
Revenue	<b>434,759</b>	405,894	7
Adjusted EBITDA <sup>(1)</sup>	<b>136,682</b>	83,858	63
Adjusted EBITDA (%) <sup>(1)</sup>	<b>31.4</b>	20.7	52
Fracturing revenue per job (\$)	<b>104,016</b>	87,309	19
Number of fracturing jobs	<b>2,385</b>	2,561	(7)
Active pumping horsepower, end of period (000s)	<b>168</b>	137	23
Idle pumping horsepower, end of period (000s)	—	—	—
Total pumping horsepower, end of period (000s)	<b>168</b>	137	23
Active coiled tubing units, end of period (#)	<b>5</b>	6	(17)
Idle coiled tubing units, end of period (#)	—	—	—
Total coiled tubing units, end of period (#)	<b>5</b>	6	(17)
Active cementing units, end of period (#)	<b>9</b>	10	(10)
Idle cementing units, end of period (#)	—	1	(100)
Total cementing units, end of period (#)	<b>9</b>	11	(18)
US\$/C\$ average exchange rate <sup>(2)</sup>	<b>1.3978</b>	1.3698	2

<sup>(1)</sup> Refer to "Non-GAAP Measures" on page 19 for further information.

<sup>(2)</sup> Source: Bank of Canada.

## REVENUE

Calfrac's Argentinean operations generated revenue of \$434.8 million during 2025 versus \$405.9 million in 2024. The 7 percent increase in revenue was primarily due to the commencement of the Company's second unconventional fracturing fleet in the Vaca Muerta shale play during the first quarter of 2025. This new fracturing fleet in Argentina operated on a spot basis during the year and delivered strong operating and financial performance. The Company also experienced activity growth across its other service lines as the Company permanently transferred equipment from Las Heras to Neuquén to meet growing demand for unconventional completions in the Vaca Muerta shale play.

## ADJUSTED EBITDA

The Company's operations in Argentina generated Adjusted EBITDA of \$136.7 million or 31 percent of revenue in 2025 versus \$83.9 million or 21 percent of revenue in 2024. This increase was primarily due to the change in operating scale in the Vaca Muerta shale play as well as the realization of higher spot pricing during the first six months of 2025 before activity levels declined in the second half of the year.

## CORPORATE

Years Ended December 31,	2025	2024	Change
(C\$000s)	(\$)	(\$)	(%)
(unaudited)			
Adjusted EBITDA <sup>(1)</sup>	(16,587)	(16,628)	—
% of revenue from continuing operations	(1.2)	(1.1)	9

<sup>(1)</sup> Refer to "Non-GAAP Measures" on page 19 for further information.

### ADJUSTED EBITDA

Corporate expenses from continuing operations were \$16.6 million during 2025, which was consistent with 2024 despite higher short-term incentive plan expenses in 2025 as the Company began allocating operational support department personnel to the North American division beginning in the third quarter of 2025.

### DEPRECIATION

Depreciation expense from continuing operations decreased by \$11.1 million from \$135.9 million in 2024 to \$124.8 million in 2025. The Company recorded a one-time depreciation charge of \$12.2 million in 2024 related to revised salvage value estimates for certain components. Excluding the one-time charge, depreciation increased by \$1.1 million primarily due to recent investments in its equipment globally.

### FOREIGN EXCHANGE GAINS AND LOSSES

The Company recorded a foreign exchange gain from continuing operations of \$13.0 million during 2025 versus a gain of \$4.1 million in 2024. Foreign exchange gains and losses arise primarily from the translation of net monetary assets or liabilities that were held in pesos in Argentina and net monetary assets or liabilities that were held in U.S. dollars in Canada. The foreign exchange gain in 2025 was mainly the result of a cumulative foreign currency translation adjustment of \$28.5 million that was recycled as a net foreign exchange gain upon the wind-up of its U.S. financing subsidiaries dating back to their formation in 2007, and to a lesser extent, the settlement of intercompany loans following the repayment of the Company's Second Lien Notes. The gain was partially offset by net monetary assets that were held in pesos in Argentina as the peso devalued against the U.S. dollar during this period, combined with the revaluation of net monetary assets that were held in U.S. dollars in Canada as the Canadian dollar strengthened relative to the U.S. dollar.

### NET INTEREST

The Company's net interest expense from continuing operations of \$29.4 million during 2025 was \$1.8 million lower than in 2024. The decrease in reported net interest expense, excluding interest income, was \$3.9 million primarily due to lower average debt levels during the period. The Company's reported interest expense included \$3.1 million of interest income generated in Argentina versus \$5.2 million of interest income in the comparable period in 2024.

### INCOME TAXES

The Company recorded an income tax expense from continuing operations of \$24.0 million during 2025 compared to a recovery of \$3.5 million in 2024. The Company had current tax expense of \$26.3 million which was primarily related to Argentina. The Company recorded a deferred tax recovery of approximately \$2.2 million, which consisted of a recovery of \$13.8 million recorded in the United States resulting from a loss incurred during the year and a \$2.5 million recovery from the recognition of a deferred tax asset in Argentina. This was partially offset by a \$14.0 million expense recorded in Canada as an additional valuation allowance on the deferred tax asset was recorded during the year.

## LIQUIDITY AND CAPITAL RESOURCES – CONTINUING OPERATIONS

	Years Ended Dec. 31,	
	2025	2024
(C\$000s)		
(unaudited)	(5)	(5)
Cash provided by (used in):		
Operating activities	195,422	128,495
Investing activities	(116,348)	(167,377)
Financing activities	(86,997)	43,944
Effect of exchange rate changes on cash and cash equivalents	(24,067)	3,601
(Decrease) increase in cash and cash equivalents <sup>(1)</sup>	(31,990)	8,663

<sup>(1)</sup> All amounts in the table above exclude the results from the Company's Russia operations.

### OPERATING ACTIVITIES

The Company's cash provided by operating activities for the year ended December 31, 2025 was \$195.4 million versus \$128.5 million in 2024. This increase was primarily due to a working capital release totaling \$35.6 million during the year versus a \$13.4 million funding of working capital requirements in 2024, combined with improved operating results in Argentina. The change in working capital requirements was the result of lower revenue during the fourth quarter of 2025 as compared to the same quarter in 2024 combined with improved inventory management practices within the Company's operating segments in North America and Argentina.

### INVESTING ACTIVITIES

Calfrac's net cash used in investing activities was \$116.3 million during the year ended December 31, 2025, which included \$70.8 million related to its expansion of fracturing, coiled tubing and wireline capabilities in Argentina. Capital expenditures from continuing operations were \$132.5 million for the year ended December 31, 2025 versus \$170.3 million in 2024.

Calfrac's Board of Directors approved a 2026 capital budget totalling approximately \$75.0 million. An additional \$10.0 million of capital expenditures that were committed to but unspent from the Company's 2025 capital program are also expected to be incurred in 2026.

### FINANCING ACTIVITIES

Net cash used by financing activities for the year ended December 31, 2025 was \$87.0 million compared to cash provided of \$43.9 million in 2024. During the year, the Company received net proceeds of \$34.8 million from the issuance of common shares, repaid \$105.0 million of its credit facilities and paid lease principal payments of \$9.9 million.

### LIQUIDITY

As at December 31, 2025, the Company had credit facilities with a syndicate of Canadian-based lenders comprised of a \$215.0 million syndicated facility and a \$35.0 million operating facility. At the end of the fourth quarter, the Company had \$161.1 million in available liquidity under its credit facilities.

The Company and its lenders amended the credit agreement on June 27, 2025 to change the definition of Bank EBITDA for the purposes of its financial covenant calculations. The previous definition of Bank EBITDA restricted Adjusted EBITDA derived from the Company's Argentina operations to a maximum of 25 percent of total Adjusted EBITDA from continuing operations. The revised Bank EBITDA definition includes EBITDA generated in North America plus any net cash repatriated from Argentina.

On August 7, 2025, the Company and its lenders amended and restated the credit agreement to include the \$120.0 million Term Loan. The full amount of the Term Loan was drawn down on December 22, 2025. The Term Loan is required to be repaid commencing in the third fiscal quarter following such drawdown, in equal quarterly principal payments designed to fully amortize the Term Loan to zero prior to its maturity. The Company may also prepay principal without penalty, however, any principal repaid may not be re-drawn. The interest rates for the Term Loan range from 3.75 percent to 4.25 percent above the base rates for CORRA-based loans. The maturity date of the credit facilities is July 1, 2028.

On December 23, 2025, the Company closed an offering of rights (the "Rights Offering") to the holders of common shares of the Company and issued an aggregate of 13,011,153 common shares at a subscription price of \$2.69 for aggregate gross proceeds of \$35.0 million.

The Company is subject to certain financial covenants relating to leverage and the generation of cash flow in respect of its available credit facilities under the credit agreement. These covenants are monitored on a monthly basis. As shown in the table below, the Company was in compliance with its financial covenants associated with its credit facilities at December 31, 2025.

As at December 31,	Covenant	Actual
	2025	2025
Interest Coverage Ratio not to fall below <sup>(1)</sup>	2.75x	<b>5.46x</b>
Funded Debt to Bank EBITDA not to exceed <sup>(2)(3)</sup>	3.00x	<b>1.30x</b>
Total Debt to Bank EBITDA not to exceed <sup>(2)(3)</sup>	4.00x	<b>1.30x</b>

<sup>(1)</sup> Interest Coverage is defined as the ratio of Bank EBITDA for the trailing twelve months to net interest expense as reported under IFRS.

<sup>(2)</sup> Total Debt is defined as bank loans and long-term debt (before unamortized debt issuance costs and debt discount) plus outstanding letters of credit, excluding lease obligations. Funded Debt is defined as Total Debt less certain qualifying subordinated shareholder debt, of which none is outstanding. For the purposes of the Funded Debt to Bank EBITDA ratio and the Total Debt to Bank EBITDA ratio, the amount of Total Debt or Funded Debt, as applicable, is reduced by the amount of the Company's cash held on hand with the lenders and certain accounts of its U.S. operating subsidiary.

<sup>(3)</sup> Bank EBITDA is defined in non-GAAP measures section on page 19.

At December 31, 2025, the Company had a cash position of \$6.7 million from continuing operations. The Company faces certain restrictions on the amount and timing of cash that can be repatriated out of Argentina. While the rules are expected to continue to moderate favourably, the current stability of the Argentine peso and the reformed cash repatriation regime has enhanced the Company's flexibility to repay new and historical intercompany liabilities. As a result, the Company repatriated US\$10.0 million during the fourth quarter and approximately US\$60.0 million during the year ended December 31, 2025.

The Company has the following minimum payments as at December 31, 2025 related to its commitments for financial liabilities, leases and purchase obligations:

As at December 31, 2025	Payment Due by Period				
	Total	< 1 Year	1 - 3 Years	4 - 5 Years	After 5 Years
(C\$000s)	(\$)	(\$)	(\$)	(\$)	(\$)
(unaudited)					
Accounts payable and accrued liabilities	<b>134,110</b>	134,110	—	—	—
Income taxes payable	<b>18,778</b>	18,778	—	—	—
Long-term debt <sup>(1)</sup>	<b>225,817</b>	50,763	175,054	—	—
Leases - IFRS 16 <sup>(1)</sup>	<b>20,386</b>	9,759	10,604	23	—
Leases - non-IFRS 16	<b>18,399</b>	15,277	3,122	—	—
Purchase obligations	<b>18,667</b>	18,667	—	—	—
<b>Total commitments</b>	<b>436,157</b>	<b>247,354</b>	<b>188,780</b>	<b>23</b>	<b>—</b>

<sup>(1)</sup> Principal and interest of current and long-term portion

With its working capital position, available credit facilities, access to debt and equity markets, and anticipated funds provided by operations, the Company expects to have adequate resources to fund its financial obligations and planned capital expenditures.

## EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS

The effect of changes in foreign exchange rates on the Company's cash and cash equivalents during the year ended December 31, 2025 was a loss of \$24.1 million versus a gain of \$3.6 million in 2024. The loss was due to the impact of foreign exchange rate movements on cash, working capital and monetary liabilities held by the Company in U.S. dollars and Argentinean pesos during the year.

## OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares. Certain employees have been granted options to purchase common shares under the Company's shareholder-approved omnibus incentive plan. The number of shares

reserved for issuance under the plan is equal to 10 percent of the Company's issued and outstanding common shares. As at March 18, 2026, the Company had issued and outstanding 99,871,572 common shares and 2,084,0321 stock options.

## SUMMARY OF QUARTERLY RESULTS – CONTINUING OPERATIONS

Three Months Ended	Mar. 31,	Jun. 30,	Sep. 30,	Dec. 31,	Mar. 31,	Jun. 30,	Sep. 30,	Dec. 31,
	2024	2024	2024	2024	2025	2025	2025	2025
<i>(C\$000s, except per share and operating data)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>
<i>(unaudited)</i>								
<b>Financial</b>								
Revenue	330,096	426,047	430,109	381,230	370,057	402,291	323,408	<b>292,177</b>
Adjusted EBITDA <sup>(1)</sup>	26,057	65,386	65,039	34,512	55,317	76,977	48,468	<b>43,943</b>
Net income (loss)	(2,903)	24,549	(6,687)	(6,424)	7,796	15,325	4,295	<b>14,517</b>
Per share – basic <sup>(2)</sup>	(0.03)	0.28	(0.08)	(0.07)	0.09	0.17	0.05	<b>0.16</b>
Per share – diluted <sup>(2)</sup>	(0.03)	0.28	(0.08)	(0.07)	0.09	0.17	0.05	<b>0.16</b>
Capital expenditures	48,072	66,753	22,509	32,955	42,132	40,834	32,815	<b>16,744</b>
Working capital (end of period) <sup>(3)</sup>	215,474	260,234	289,456	229,856	266,087	249,751	257,601	<b>189,304</b>
Working capital (end of period) <sup>(4)</sup>	273,712	303,889	307,139	123,901	(59,545)	(51,159)	(51,851)	<b>155,968</b>
Total equity (end of period)	623,743	653,498	643,776	653,330	660,262	655,814	667,899	<b>664,279</b>
<b>Operating (end of period)</b>								
Active pumping horsepower (000s)	1,090	1,103	1,148	1,155	1,051	1,045	1,047	<b>1,032</b>
Idle pumping horsepower (000s)	156	156	111	—	116	161	168	<b>189</b>
Total pumping horsepower (000s)	1,246	1,259	1,259	1,155	1,167	1,206	1,215	<b>1,221</b>
Active coiled tubing units (#)	11	11	12	12	12	12	12	<b>10</b>
Idle coiled tubing units (#)	1	1	1	—	—	—	—	<b>1</b>
Total coiled tubing units (#)	12	12	13	12	12	12	12	<b>11</b>
Active cementing units (#)	10	10	10	10	9	9	9	<b>9</b>
Idle cementing units (#)	1	1	1	1	—	—	—	<b>—</b>
Total cementing units (#)	11	11	11	11	9	9	9	<b>9</b>

<sup>(1)</sup> Refer to “Non-GAAP Measures” on page 19 for further information.

<sup>(2)</sup> Basic and diluted shares outstanding have been restated to show the comparative impact of the rights offering that was completed in December 2025.

<sup>(3)</sup> Working capital excludes cash and cash equivalents and the current portion of long-term debt.

<sup>(4)</sup> Working capital calculated as current assets minus current liabilities.

## VOLATILITY OF INDUSTRY CONDITIONS

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 (refer to “Business Risks” below).

## SEASONALITY OF BUSINESS

The Company's North American business is seasonal. Historically, the lowest activity 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 United States where the Company operates. However, over the last few years, a trend has been developing in North Dakota and the broader Rockies region in the United States 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 the first quarter. 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 appears to be normalizing the impacts of spring break-up that had previously been significant. Activity in the fourth quarter is typically

impacted by customer budget exhaustion and seasonal holidays in North America. The cadence of quarterly activity has a direct influence on the amount of working capital required by the business (refer to “Business Risks” below).

### **FOREIGN EXCHANGE FLUCTUATIONS**

The Company’s financial statements are reported in Canadian dollars. Accordingly, the quarterly results from Calfrac’s continuing operations are directly affected by fluctuations in the United States and Argentinean foreign currency exchange rates (refer to “Business Risks” below).

## QUARTERLY CONSOLIDATED HIGHLIGHTS – CONTINUING OPERATIONS

Three Months Ended December 31,	2025	2024	Change
<i>(C\$000s, except per share amounts)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(%)</i>
<i>(unaudited)</i>			
Revenue	<b>292,177</b>	381,230	(23)
Adjusted EBITDA <sup>(1)</sup>	<b>43,943</b>	34,512	27
Cash flows provided by operating activities	<b>98,825</b>	90,977	9
Capital expenditures	<b>16,744</b>	32,955	(49)
Net income (loss)	<b>14,517</b>	(6,424)	NM
Per share – basic	<b>0.16</b>	(0.07)	NM
Per share – diluted	<b>0.16</b>	(0.07)	NM
Cash and cash equivalents	<b>6,664</b>	44,045	(85)
Working capital, calculated as:			
Excluding cash and cash equivalents and the current portion of long-term debt	<b>189,304</b>	229,856	(18)
Including cash and cash equivalents and the current portion of long-term debt	<b>155,968</b>	123,901	26
Total assets, end of year	<b>1,047,199</b>	1,234,840	(15)
Long-term debt, end of year	<b>203,425</b>	320,908	(37)
Net debt <sup>(1)(2)</sup>	<b>215,274</b>	300,347	(28)
Total consolidated equity, end of year	<b>664,279</b>	653,330	2

<sup>(1)</sup> Refer to “Non-GAAP Measures” on page 19 for further information.

<sup>(2)</sup> Refer to note 14 of the annual consolidated financial statements for further information.

## FOURTH QUARTER 2025 OVERVIEW

In the fourth quarter of 2025, the Company:

- generated revenue of \$292.2 million, a decrease of 23 percent from the comparative quarter in 2024 primarily due to lower activity in Argentina, offset partially by higher activity in North America;
- reported Adjusted EBITDA of \$43.9 million versus \$34.5 million in the fourth quarter of 2024 primarily due to improved operating results in North America;
- generated cash flow from operating activities of \$98.8 million compared to \$91.0 million in the fourth quarter of 2024. The increase reflected better operating results in North America and improvements in working capital management;
- closed a Rights Offering for net proceeds of \$34.7 million which were used in conjunction with the drawdown of the Company’s \$120.0 million Term Loan to repay its outstanding US\$120.0 million Second Lien Notes;
- reported net income of \$14.5 million or \$0.16 per share diluted compared to a net loss of \$6.4 million or \$0.07 per share diluted in the comparable quarter in 2024; and
- incurred capital expenditures of \$16.7 million, which included approximately \$11.0 million related to expansion capital, auxiliary support equipment and infrastructure upgrades in Argentina.

## FINANCIAL OVERVIEW – CONTINUING OPERATIONS

### THREE MONTHS ENDED DECEMBER 31, 2025 VERSUS 2024

#### NORTH AMERICA

Three Months Ended December 31,	2025	2024	Change
<i>(C\$000s, except operational and exchange rate information)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(%)</i>
<i>(unaudited)</i>			
Revenue	<b>227,673</b>	289,883	(21)
Adjusted EBITDA <sup>(1)</sup>	<b>32,561</b>	23,121	41
Adjusted EBITDA (%) <sup>(1)</sup>	<b>14.3</b>	8.0	79
Fracturing revenue per job (\$)	<b>30,527</b>	35,238	(13)
Number of fracturing jobs	<b>7,185</b>	7,975	(10)
Active pumping horsepower, end of period (000s)	<b>864</b>	1,018	(15)
Idle pumping horsepower, end of period (000s)	<b>189</b>	—	NM
Total pumping horsepower, end of period (000s)	<b>1,053</b>	1,018	3
Active coiled tubing units, end of period (#)	<b>5</b>	6	(17)
Idle coiled tubing units, end of period (#)	<b>1</b>	—	—
Total coiled tubing units, end of period (#)	<b>6</b>	6	—
US\$/C\$ average exchange rate <sup>(2)</sup>	<b>1.3947</b>	1.3982	—

<sup>(1)</sup> Refer to “Non-GAAP Measures” on page 19 for further information.

<sup>(2)</sup> Source: Bank of Canada.

#### REVENUE

Revenue from Calfrac’s operations in North America decreased to \$227.7 million during the fourth quarter of 2025 from \$289.9 million in the respective quarter of 2024. The Company operated a lower number of fracturing fleets during the fourth quarter versus the comparable quarter in the prior year due primarily to a decrease in year-over-year oil-directed activity within North America. Pricing in the oil-focused regions of North America was also lower relative to the fourth quarter of 2024, which contributed to the 21 percent reduction in revenue. In addition, coiled tubing revenue was lower by 6 percent from the fourth quarter in 2024 mainly due to the completion of smaller jobs.

#### ADJUSTED EBITDA

The Company’s operations in North America generated Adjusted EBITDA of \$32.6 million or 14 percent of revenue during the fourth quarter of 2025 compared to \$23.1 million or 8 percent of revenue in the same period in 2024. Despite lower revenue, the Company generated higher Adjusted EBITDA than the comparable quarter in 2024 primarily due to a higher number of operating days per fleet and the impact of reductions in support personnel within North America that were enacted during the second and third quarters of 2025.

## ARGENTINA

Three Months Ended December 31,	2025	2024	Change
<i>(C\$000s, except operational and exchange rate information)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(%)</i>
<i>(unaudited)</i>			
Revenue	<b>64,504</b>	91,347	(29)
Adjusted EBITDA <sup>(1)</sup>	<b>15,646</b>	15,636	—
Adjusted EBITDA (%) <sup>(1)</sup>	<b>24.3</b>	17.1	42
Fracturing revenue per job (\$)	<b>164,072</b>	101,626	61
Number of fracturing jobs	<b>161</b>	471	(66)
Active pumping horsepower, end of period (000s)	<b>168</b>	137	23
Idle pumping horsepower, end of period (000s)	—	—	—
Total pumping horsepower, end of period (000s)	<b>168</b>	137	23
Active coiled tubing units, end of period (#)	<b>5</b>	6	(17)
Idle coiled tubing units, end of period (#)	—	—	—
Total coiled tubing units, end of period (#)	<b>5</b>	6	(17)
Active cementing units, end of period (#)	<b>9</b>	10	(10)
Idle cementing units, end of period (#)	—	1	(100)
Total cementing units, end of period (#)	<b>9</b>	11	(18)
US\$/C\$ average exchange rate <sup>(2)</sup>	<b>1.3947</b>	1.3982	—

<sup>(1)</sup> Refer to “Non-GAAP Measures” on page 19 for further information.

<sup>(2)</sup> Source: Bank of Canada.

## REVENUE

Calfrac’s Argentinean operations generated revenue of \$64.5 million during the fourth quarter of 2025 versus \$91.3 million in the comparable quarter in 2024. The 29 percent decrease in revenue was primarily due to a year-over-year slowdown in industry activity stemming from customer budget exhaustion in the Vaca Muerta shale play, which lowered activity in the Company’s fracturing, cementing and wireline services. These reductions were offset by a 20 percent increase in coiled tubing activity during the quarter.

## ADJUSTED EBITDA

The Company’s operations in Argentina generated Adjusted EBITDA of \$15.6 million during the fourth quarter of 2025, which was consistent with the same quarter of 2024, and an increase in the Company’s Adjusted EBITDA margins to 24 percent from 17 percent in the fourth quarter of 2024. The improved Adjusted EBITDA margin was mainly in the fracturing and coiled tubing service lines. Fracturing included revenue related to retroactive pumping hour adjustments from the prior quarter with one of its customers, which resulted in higher than normal margins, while coiled tubing margins were higher due to a combination of improved pricing and utilization.

## CORPORATE

Three Months Ended December 31,	2025	2024	Change
(C\$000s)	(\$)	(\$)	(%)
(unaudited)			
Adjusted EBITDA <sup>(1)</sup>	<b>(4,264)</b>	(4,245)	—
% of revenue from continuing operations	<b>(1.5)</b>	(1.1)	36

<sup>(1)</sup> Refer to "Non-GAAP Measures" on page 19 for further information.

### ADJUSTED EBITDA

Corporate expenses during the fourth quarter of 2025 were \$4.3 million, which was consistent with the fourth quarter of 2024 as higher performance-based compensation expenses were offset by a reduction in personnel costs as operational support departments were allocated out of the Corporate division and into the North American division in the fourth quarter of 2025.

### DEPRECIATION

For the three months ended December 31, 2025, depreciation expense from continuing operations of \$30.7 million was \$14.3 million lower than the corresponding quarter in 2024. The Company recorded a one-time depreciation charge of \$12.2 million in the fourth quarter of 2024 related to revised salvage value estimates for certain components. Excluding the one-time charge, depreciation decreased by \$2.1 million primarily due to the mix and timing of major component capital expenditures combined with assets reaching their full depreciable lives in North America.

### FOREIGN EXCHANGE GAINS AND LOSSES

The Company recorded a foreign exchange gain from continuing operations of \$29.8 million during the fourth quarter of 2025 versus a gain of \$8.7 million in the comparative three-month period of 2024. Foreign exchange gains and losses arise primarily from the translation of net monetary assets or liabilities that were held in pesos in Argentina and net monetary assets or liabilities that were held in U.S. dollars in Canada. The foreign exchange gain during the fourth quarter was mainly the result of a cumulative foreign currency translation adjustment of \$28.5 million that was recycled as a net foreign exchange gain upon the wind-up of its U.S. financing subsidiaries dating back to their formation in 2007, and to a lesser extent, the settlement of intercompany loans following the repayment of the Company's Second Lien Notes. This gain was offset partially by an unrealized foreign exchange loss attributed to the revaluation of net U.S. dollar intercompany assets and monetary items in Canada during the quarter, combined with a foreign exchange loss due to net monetary assets that were held in pesos in Argentina as the peso devalued against the U.S. dollar during this period. The \$8.7 million foreign exchange gain during the comparable quarter in 2024 was primarily due to the 7 percent decline in the Canadian dollar during that period.

### NET INTEREST

The Company recorded net interest expense from continuing operations of \$6.7 million for the fourth quarter of 2025 compared to \$8.2 million in the comparable period in 2024. Reported net interest expense was lower than the comparable period primarily due to significant year-over-year reductions in the Company's long-term debt.

### INCOME TAXES

The Company had a current income tax expense from continuing operations of \$1.0 million during the fourth quarter of 2025, which was mainly related to Argentina. Calfrac also recorded a deferred tax expense of \$11.2 million, which consisted of \$14.0 million recorded in Canada as an additional valuation allowance on the deferred tax asset was recorded in the quarter, partially offset by the recognition of a \$2.5 million deferred tax asset in Argentina and a recovery of \$0.3 million recorded in the United States resulting from the loss incurred during the quarter.

## OUTLOOK

### NORTH AMERICA

The Company's outlook in North America remains constructive over the next few years despite the near-term macroeconomic headwinds as longer-term demand for energy continues to strengthen and structural improvement in the Canadian LNG market is anticipated to take hold.

The Montney remains the primary source of demand for the Company's pressure pumping services in Canada while continued growth in the Duvernay is driving an outsized impact in pressure pumping demand due to the intensity of horsepower requirements and sand volumes in that resource play. Overall, Calfrac is expecting a modest increase in pressure pumping activity in Canada during 2026 and the Company is well-positioned with its customer base to benefit from growth in these resource plays. As in recent years, activity in the greater Rockies region in the United States is expected to be limited during the first quarter due to the difficult operating conditions that are present in this area during the winter months. The Company expects to see a moderate increase in oil-directed activity over the course of 2026 across its North America segment, while natural gas activity is expected to be relatively stable with a positive outlook for 2026 based upon the expected demand arising from the increased LNG take away capacity in North America. Pricing pressure has continued into the first quarter in 2026 as oil prices remained lower than at the beginning of 2025. The recent escalation of conflict in the Middle East has resulted in a significant increase in oil prices, however, it is not clear if these prices will be sustained beyond the short-term. In response to these market factors, the Company will continue to manage its cost structure to remain competitive in this pressure pumping market with a primary focus of generating free cash flow to lower long-term debt levels.

### ARGENTINA

The outlook for 2026 remains very positive for Calfrac in Argentina as the Vaca Muerta is one of the premier resource plays in the world that is currently in the early stages of its development. Activity in the Vaca Muerta shale play has returned to normal operating levels with the replenishment of customer budgets at the beginning of the year. The Company anticipates that its two large unconventional fracturing fleets will be well utilized in 2026 while operating for a more diverse customer base than in the prior year. In addition, Calfrac expects that its coiled tubing, cementing and wireline services will be strong contributors to the overall financial performance of this business segment during 2026.

The economic reforms that have been enacted in Argentina over the past couple of years have led to major changes in the cash repatriation regime within that country. Those reforms coupled with strong financial performance by the Company's Argentinian operations in 2025 resulted in a significant reduction of Calfrac's long-term debt during the year. Looking forward, the Company intends to repatriate any free cash flow generated in Argentina during 2026 which will continue to drive further reductions in its overall leverage profile.

### CORPORATE

Calfrac remains committed to reducing long-term debt through free cash flow generation. The Company exited the year with long-term debt that was over \$115.0 million lower than at the end of 2024. The Company's Term Loan provides a structured path for further debt reduction with a significantly lower interest rate as compared to its Second Lien Notes that were repaid in the fourth quarter of 2025. As the Company enters 2026, management remains focused on prudent capital allocation in the current market environment while maintaining a stringent focus on cost management. Within the approved capital budget, Calfrac is currently trialing both 100 percent natural gas turbine and reciprocating engines in North America to identify the engine technology of choice for future investment to complement the Company's significant investments in Tier IV DGB engines.

## **ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS**

During the first quarter of 2022, management committed to a plan to sell its Russian division. The associated assets and liabilities were consequently presented as held for sale in these financial statements in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

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 its Russian operations 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 its Russian subsidiary must be approved by the President of the Russian Federation pursuant to applicable decrees and rules setting out the requirements for exits of foreign investors from Russia (which are updated on a periodic basis). Within this dynamic context, the Company remains committed to the sale of its Russian subsidiary and is seeking to complete this transaction as soon as possible while complying with all applicable laws and sanctions.

During the fourth quarter of 2025, management determined that the Company ceased controlling its Russian subsidiary under IFRS due to the cumulative impacts of applicable sanctions and certain new covenants under the Company's credit agreement that restrict the Company's permitted commercial dealings with the Russian subsidiary. As a result, the net assets of the Russian subsidiary were adjusted to reflect their revised expected recoverable amount of nil. Commencing in the fourth quarter, the net profit or loss of the Russian subsidiary is no longer recorded in the Company's consolidated financial statements.

For additional information related to Calfrac's assets held for sale, see note 4 of the annual consolidated financial statements for the year ended December 31, 2025 and the Company's Annual Information Form for the year ended December 31, 2025 under the heading "CWS International LLC" which are available on the Company's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca).

## NON-GAAP MEASURES

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

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

	Three Months Ended Dec. 31,		Years Ended Dec. 31,	
	2025	2024	2025	2024
(C\$000s)	(\$)	(\$)	(\$)	(\$)
(unaudited)				
Net income (loss) from continuing operations	14,517	(6,424)	41,933	8,535
Add back (deduct):				
Depreciation	30,702	45,021	124,787	135,886
Foreign exchange gains	(29,814)	(8,723)	(12,995)	(4,145)
(Gain) loss on disposal of property, plant and equipment	(2,390)	1,031	(1,240)	863
Write-off of property, plant and equipment	225	12,690	225	12,690
Impairment of inventory	8,492	—	8,492	—
Restructuring charges	3,197	5,062	10,935	10,617
Stock-based compensation	64	(6,747)	(861)	(1,173)
Interest	6,706	8,191	29,411	31,206
Income taxes	12,244	(15,589)	24,018	(3,485)
Adjusted EBITDA from continuing operations	43,943	34,512	224,705	190,994
Less: IFRS 16 lease payments	(2,469)	(3,284)	(11,605)	(13,172)
Less: Bank EBITDA adjustments <sup>(1)</sup>	(4,884)	(3,634)	(52,456)	(51,985)
Bank EBITDA for financial covenant purposes	36,590	27,594	160,644	125,837

<sup>(1)</sup> Refer to note 6 of the Company's annual consolidated financial statements for the year ended December 31, 2025.

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

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

## OTHER NON-STANDARD FINANCIAL TERMS

### MAINTENANCE AND EXPANSION CAPITAL

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

## WORKING CAPITAL

Working capital is calculated as total current assets less total current liabilities. The Company has also provided a separate calculation of working capital that excludes cash and cash equivalents as well as the current portion of long-term debt as management believes this is a useful liquidity measure for investors and other stakeholders.

## CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

As outlined in note 10 to the annual consolidated financial statements, Calfrac has various contractual lease commitments related to premises, equipment, vehicles as well as purchase obligations for products, services and property, plant and equipment.

## GREEK LITIGATION

As described in note 20 to the annual consolidated financial statements, the Company and one of its Greek subsidiaries are involved in a number of legal proceedings in Greece. Management regularly evaluates the likelihood of potential liabilities being incurred and the amounts of such liabilities after careful examination of available information and discussions with its legal advisors. Management is of the view that it is improbable there will be a material financial impact to the Company as a result of these claims. Consequently, no provision was recorded in the consolidated financial statements.

## CRITICAL ACCOUNTING POLICIES AND ESTIMATES

This MD&A is based on the Company's consolidated financial statements for the year ended December 31, 2025 which were prepared in accordance with IFRS. Management is required to make assumptions, judgments and estimates in the application of IFRS. Calfrac's material accounting policies are described in note 2 to the annual consolidated financial statements.

The preparation of the consolidated financial statements requires that certain estimates and judgments be made concerning the reported amount of revenue and expenses and the carrying values of assets and liabilities. These estimates are based on historical experience and management's judgment. The estimation of anticipated future events involves uncertainty and, consequently, the estimates used by management in the preparation of the consolidated financial statements may change as future events unfold, additional experience is acquired or the environment in which the Company operates changes. The accounting policies and practices that involve the use of estimates that have a significant impact on the Company's financial results include the allowance for doubtful accounts, depreciation, the fair value of financial instruments, income taxes, and stock-based compensation.

Judgment is also used in the determination of cash-generating units (CGUs), impairment or reversal of impairment of non-financial assets, the functional currency of each subsidiary, and the classification of assets held for sale and discontinued operations, including the determination of loss of control over a subsidiary.

## LOSS ALLOWANCE PROVISION

The Company performs ongoing credit evaluations of its customers and grants credit based on a review of historical collection experience, current aging status, financial condition of the customer and anticipated industry conditions. In situations where the creditworthiness of a customer is uncertain, services are typically provided on receipt of cash in advance or services are declined. Customer payments are regularly monitored and a provision for doubtful accounts has been established based on the new impairment model under IFRS 9, which requires the recognition of impairment provisions based on expected and incurred credit losses rather than only incurred credit losses. The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected credit loss model to its trade accounts receivable. Lifetime expected credit losses are the result of all possible default events over the expected life of the financial instrument. Calfrac's management believes that the loss allowance provision for accounts receivable, which was \$1.1 million at December 31, 2025 (December 31, 2024 – \$1.3 million), is adequate.

## DEPRECIATION

Depreciation of the Company's property, plant and equipment incorporates estimates of useful lives and residual values. These estimates may change as more experience is obtained or as general market conditions change, thereby affecting the value of the Company's property, plant and equipment.

## FINANCIAL INSTRUMENTS

Financial instruments included in the Company's consolidated balance sheets are cash and cash equivalents, accounts receivable, deposits, accounts payable and accrued liabilities, and long-term debt.

## FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The fair values of financial instruments included in the consolidated balance sheets, except long-term debt, approximate their carrying amounts due to the short-term maturity of those instruments. The carrying values of the revolving credit facilities and Term Loan approximate their fair values as the interest rates are not significantly different from current interest rates for similar loans. The fair value of the Second Lien Notes for the prior year comparative period, as measured based on the quoted market price at December 31, 2024 was \$171.6 million.

## CREDIT RISK

Substantial amounts of the Company's accounts receivable are with customers in the oil and natural gas industry and are subject to normal industry credit risks. The Company mitigates this risk through its credit policies and practices, including the use of credit limits and approvals, and by monitoring its customers' financial condition. At December 31, 2025, the Company had a loss allowance provision for accounts receivable of \$1.1 million (December 31, 2024 – \$1.3 million).

Payment terms with customers vary by country and contract. Standard payment terms, however, are 30 days from invoice date. The Company's aged trade and accrued accounts receivable at December 31, 2025 and 2024, excluding any impaired accounts, are as follows:

As at December 31, (C\$000s) (unaudited)	2025 (5)	2024 (5)
Current	<b>183,533</b>	203,151
31 - 60 days	<b>35,126</b>	20,788
61 - 90 days	<b>10,076</b>	11,408
91+ days	<b>3,379</b>	968
Total	<b>232,114</b>	236,315

## INTEREST RATE RISK

The Company is exposed to cash flow risk due to fluctuating interest payments required to service any floating-rate debt. The increase or decrease in annual interest expense for each 1 percentage point change in the interest rate on floating-rate debt at December 31, 2025 amounts to \$2.1 million (December 31, 2024 – \$1.5 million).

The Company's effective interest rate for the year ended December 31, 2025 was 9.4 percent (December 31, 2024 – 9.7 percent).

## LIQUIDITY RISK

The Company's principal sources of liquidity are operating cash flows, existing or new credit facilities, new secured or unsecured debt, and new share equity. The Company monitors its liquidity to ensure it has sufficient funds to complete planned capital and other expenditures. The Company mitigates liquidity risk by maintaining adequate banking and credit facilities and monitoring its forecast and actual cash flows. The Company may also adjust its capital spending to maintain liquidity.

The expected timing of cash outflows relating to financial liabilities is outlined in note 12 to the annual consolidated financial statements.

## FOREIGN EXCHANGE RISK

The Company is exposed to foreign exchange risk associated with foreign operations where assets, liabilities, revenue and costs are denominated in currencies other than Canadian dollars. These currencies include the U.S. dollar and Argentinean peso. The Company is also exposed to the impact of foreign currency fluctuations in its Canadian operations on purchases of products and property, plant and equipment from vendors in the United States.

The amount of this debt and related interest expressed in Canadian dollars varies with fluctuations in the U.S. dollar to Canadian dollar exchange rate. The risk is mitigated, however, by the Company's U.S. operations and related revenue streams. A change in the value of foreign currencies in the Company's financial instruments (cash, accounts receivable, accounts payable and debt) would have had the following impact on net income:

At December 31, 2025	Impact to Net Income
<i>(C\$000s)</i>	<i>(\$)</i>
1% change in value of U.S. dollar	1,453
20% change in value of Argentinean peso	618

At December 31, 2024	Impact to Net Income
<i>(C\$000s)</i>	<i>(\$)</i>
1% change in value of U.S. dollar	1,900
20% change in value of Argentinean peso	1,109

## IMPAIRMENT

Assessment of impairment is based on management's judgment of whether there are internal and external factors that would indicate that an asset or CGU is impaired.

As described in note 5 to the annual consolidated financial statements, the Company reviews the carrying value of its property, plant and equipment at each reporting period for indicators of impairment. As well, the Company assesses at the end of each reporting period whether there is any indication that an impairment loss recognized in prior periods for an asset or CGU may no longer exist or may have decreased. If any such indication exists, the Company estimates the recoverable amount of that CGU to determine if the reversal of impairment loss is supported.

The Company's cash-generating units from continuing operations are determined to be at the country level, consisting of Canada, the United States, and Argentina.

As at December 31, 2025, the Company determined that there were no changes in the indicators of impairment or any new indicators of impairment for all its CGUs since the last impairment assessment that was carried out as at December 31, 2024. There are no events or changes in circumstances indicating that an estimate of the recoverable amount of property, plant and equipment is required for the year ended December 31, 2025.

The Company carried out a comprehensive review of its property, plant and equipment and identified assets in Argentina that were deemed to be obsolete, and therefore, no longer able to generate cash inflows. The net book value of these assets totaled \$0.2 million and were written off during the year ended December 31, 2025.

The write-off of property, plant and equipment by CGU are as follows:

Years Ended December 31,	2025	2024
<i>(C\$000s)</i>	<i>(\$)</i>	<i>(\$)</i>
United States	—	12,690
Argentina	225	—
	<b>225</b>	12,690

The Company reviews the carrying value of its inventory on an ongoing basis for obsolescence and to verify that the carrying value exceeds the net realizable amount. During the year ended December 31, 2025, the Company reviewed the carrying value of its inventories across all operating segments and recorded an impairment of \$8.5 million to write off obsolete inventory to its net realizable amount (year ended December 31, 2024 – \$nil). The impairment was primarily related to spare parts inventory.

## INCOME TAXES

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement amounts of existing assets and liabilities and their respective tax bases. Estimates of the Company's future taxable income are considered in assessing the utilization of available tax losses. The Company's business is complex and the calculation of income taxes involves many factors as well as the Company's interpretation of relevant tax legislation and regulations.

## STOCK-BASED COMPENSATION

The fair value of stock options and performance share units is estimated at the grant date using the Black-Scholes option pricing model, which includes underlying assumptions related to the risk-free interest rate, average expected option life, estimated forfeitures, estimated volatility of the Company's shares and anticipated dividends. The vesting conditions associated with the performance stock options and performance share units are non-market and are assessed at each reporting period to determine if the targets are probable or not probable of being met.

The fair value of the deferred share units is recognized based on the market value of the Company's shares underlying these compensation programs.

## FUNCTIONAL CURRENCY

Management applies judgment in determining the functional currency of its foreign subsidiaries. Judgment is made with regard to the currency that influences and determines sales prices, labour, material and other costs as well as financing and receipts from operating income.

## CASH-GENERATING UNITS

The determination of CGUs is based on management's judgment regarding shared equipment, mobility of equipment, geographical proximity and materiality.

## RELATED-PARTY TRANSACTIONS

The Company leases certain premises from a company controlled by Ronald P. Mathison. The rent charged for these premises during the year ended December 31, 2025 was \$1.0 million (year ended December 31, 2024 – \$1.0 million), as measured at the exchange amount, which is based on market rates at the time these lease arrangements were made.

## CHANGES IN ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

The Company's IFRS accounting policies and future accounting pronouncements are provided in note 2 of the Company's 2025 annual consolidated financial statements.

## RECENT ACCOUNTING PRONOUNCEMENTS

The Company is assessing the impact of the following amendment to the standards and interpretations applicable for future periods:

The IASB issued targeted amendments to IFRS 9 and IFRS 7 to address the settlement of financial liabilities via electronic payment systems and refine the assessment of contractual cash flow characteristics of financial assets. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. These changes are not expected to have a material impact on the financial statements.

The IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* which will replace IAS 1 *Presentation of Financial Statements*, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss with defined subtotals;
- requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss;
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements; and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements. The new standard is effective for annual periods beginning on or after January 1, 2027. Retrospective application is required, and therefore,

the comparative information for the financial year ending December 31, 2026 will be restated in accordance with IFRS 18. The Company is continuing to evaluate the impacts of adopting IFRS 18 on the consolidated financial statements.

## **EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING**

The Chief Executive Officer (CEO), and the Chief Financial Officer (CFO) of Calfrac are responsible for establishing and maintaining the Company's disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR).

DC&P are designed to provide reasonable assurance that material information relating to the Company is made known to the CEO and CFO by others, particularly in the period in which the annual filings are being prepared, and that information required to be disclosed in documents filed with securities regulatory authorities is recorded, processed, summarized and reported within the periods specified in securities legislation, and includes controls and procedures designed to ensure that such information is accumulated and communicated to the Company's management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure. ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

In accordance with the requirements of National Instrument 52-109 "Certification of Disclosure in Issuers' Annual and Interim Filings", an evaluation of the effectiveness of DC&P and ICFR was carried out under the supervision of the CEO and CFO at December 31, 2025. Based on this evaluation, the CEO and CFO have concluded that the Company's DC&P and ICFR are effectively designed and operating as intended.

No change to the Company's ICFR occurring during the most recent interim period materially affected, or is reasonably likely to materially affect, the Company's ICFR.

## **BUSINESS RISKS**

The business of Calfrac is subject to certain risks and uncertainties. Prior to making any investment decision regarding Calfrac, investors should carefully consider, among other things, the risk factors set forth in the Company's most recently filed Annual Information Form under the heading "Risk Factors" which is available on the SEDAR+ website at [www.sedarplus.ca](http://www.sedarplus.ca). Copies of the Annual Information Form may also be obtained on request without charge from Calfrac at Suite 601, 407 - 8th Avenue S.W., Calgary, Alberta, Canada, T2P 1E5, or at [www.calfrac.com](http://www.calfrac.com).

## **ADVISORIES**

### **FORWARD-LOOKING STATEMENTS**

In order to provide Calfrac shareholders and potential investors with information regarding the Company and its subsidiaries, including management's assessment of Calfrac's plans and future operations, certain statements contained in this MD&A, including statements that contain words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "forecast" or similar words suggesting future outcomes, are forward-looking statements or forward-looking information within the meaning of applicable securities laws (collectively, "forward-looking statements").

In particular, forward-looking statements in this MD&A include, but are not limited to, statements with respect to the expectations regarding trends in, and growth prospects of, the global oil and gas industry, including the uncertain duration and impact of the conflict in the Middle East on crude oil prices, the supply and demand fundamentals of the pressure pumping industry; activity, demand, utilization and outlook for the Company's continuing operations, including the positive outlook for the Argentina segment in 2026 and the expectation for a moderate increase in oil directed activity in the North American segment over the balance of 2026 and longer-term structural demand associated with increasing LNG capacity in Canada; operating and financing strategies, performance, priorities, metrics and estimates, including the Company's plans to continue evaluating and integrating advanced data solutions and next-generation technologies in its business; capital investment plans; the Company's debt, liquidity and financial position, including the Company's focus on further debt repayment and an expected reduction of interest expense going forward; the Company's capital structure, restrictions under its lending documents and ability to raise capital; input costs, margin and service pricing trends and strategies; the Company's ability and intentions to repatriate cash from Argentina; the Company's Russian subsidiary, including the Company's commitment to seeking to sell the entity while complying with applicable laws and sanctions; future financial resources and performance; future costs or potential liabilities; the Company's service quality and safety record; accounting

policies, practices, standards and judgements of the Company; treatment under government regulatory regimes; and the Company's expectations and intentions with respect to the foregoing.

These statements are derived from certain assumptions and analyses made by the Company based on its experience and perception of historical trends, current conditions, expected future developments and other factors that it believes are appropriate in the circumstances, including, but not limited to, the economic and political environment in which the Company operates, including the continued implementation of Argentina economic reforms and liberalization of its oil and gas industry as well as the current state of the trade relations between Canada and the U.S. and its expected impact on the pressure pumping market in North America; the Company's expectations for its customers' capital budgets, demand for services and geographical areas of focus; the anticipated effects of artificial intelligence power requirements and the commissioning of liquified natural gas export terminals on supply and demand fundamentals for oil and natural gas; 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 Company's existing contracts and the status of current negotiations with key customers and suppliers; the likelihood that the current tax and regulatory regime will remain substantially unchanged; the level of merger and acquisition activity among oil and gas producers and its impact on the demand for well completion services; the effect of environmental, social and governance factors on customer and investor preferences and capital deployment; and the current status of the military conflicts in the Middle East and Ukraine, U.S. and Venezuelan energy policies, and OPEC+ production decisions—and their effect on global oil and natural gas demand.

Forward-looking statements are subject to a number of known and unknown risks and uncertainties that could cause actual results to differ materially from the Company's expectations. Such risk factors include but are not limited to: (A) industry risks, including but not limited to, global economic conditions and the level of exploration, development and production for oil and natural gas in North America and Argentina; an intensely competitive oilfield services industry; a shift in strategy by exploration and production companies prioritizing shareholder returns over production growth; excess equipment levels; and hazards inherent in the industry; (B) geopolitical risks, including but not limited to, international conflict; changes to the global trading system; shifts in government policy; foreign operations exposure, including risks relating to repatriation of cash from foreign jurisdictions, unsettled political conditions, war, foreign exchange rates and controls and sanctions; (C) business operations risks, including but not limited to, fleet reinvestment risk; a concentrated customer base; cybersecurity risks; risks related to artificial intelligence and technology; constraint on demand for the Company's services due to mergers and acquisition activities; seasonal volatility; failure to maintain Company's safety standards and record; and impacts of extreme weather and drought; (D) financial risks, including but not limited to, restrictions on the Company's access to capital; direct and indirect exposure to volatile credit markets, including interest rate risk; fluctuations in currency exchange rates; and price escalation and availability of raw materials, diesel fuel and component parts; and (E) legal and regulatory risks, including but not limited to, health, safety and environmental laws and regulations; legal and administrative proceedings; federal, provincial and state legislative and regulatory initiatives and laws; and the direct and indirect costs of various existing and proposed climate change regulations. Further information about these and other risks and uncertainties may be found under the heading "Business Risks" above.

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

## **ADDITIONAL INFORMATION**

Further information regarding Calfrac Well Services Ltd., including the most recently filed Annual Information Form, can be accessed on the Company's website at [www.calfrac.com](http://www.calfrac.com) or under the Company's issuer profile on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)).

## MANAGEMENT'S LETTER

### To the Shareholders of Calfrac Well Services Ltd.

The accompanying consolidated financial statements and all information in the Annual Report are the responsibility of management. The consolidated financial statements have been prepared by management in accordance with the accounting policies set out in the accompanying notes to the consolidated financial statements. When necessary, management has made informed judgments and estimates in accounting for transactions that were not complete at the balance sheet date. In the opinion of management, the consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards (IFRS) appropriate in the circumstances. The financial information elsewhere in the Annual Report has been reviewed to ensure consistency with that in the consolidated financial statements.

Management has prepared the Management's Discussion and Analysis (MD&A). The MD&A is based on the Company's financial results prepared in accordance with IFRS. The MD&A compares the audited financial results for the years ended December 31, 2025 and December 31, 2024.

Management maintains appropriate systems of internal control. Policies and procedures are designed to give reasonable assurance that transactions are properly authorized, assets are safeguarded and financial records properly maintained to provide reliable information for the preparation of financial statements.

PricewaterhouseCoopers LLP, an independent firm of chartered professional accountants, was engaged, as approved by a vote of shareholders at the Company's most recent annual meeting, to audit the consolidated financial statements in accordance with IFRS and provide an independent professional opinion.

The Audit Committee of the Board of Directors, which is comprised of four independent directors who are not employees of the Company, has discussed the consolidated financial statements, including the notes thereto, with management and the external auditors. The consolidated financial statements have been approved by the Board of Directors on the recommendation of the Audit Committee.



Tyler S. Dahlseide  
Chief Executive Officer



Michael D. Olinek  
Chief Financial Officer

March 18, 2026  
Calgary, Alberta, Canada

## INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Calfrac Well Services Ltd.

### OUR OPINION

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Calfrac Well Services Ltd. and its subsidiaries (together, the Company) as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

### What We Have Audited

The Company's consolidated financial statements comprise:

- the consolidated balance sheets as at December 31, 2025 and 2024;
- the consolidated statements of operations for the years then ended;
- the consolidated statements of comprehensive (loss) income for the years then ended;
- the consolidated statements of cash flows for the years then ended;
- the consolidated statements of changes in equity for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

### BASIS FOR OPINION

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

## KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
<p><b>Assessment of impairment indicators of property, plant and equipment (PP&amp;E) for the United States cash generating unit (CGU)</b></p> <p><i>Refer to note 2 – Summary of Material Accounting Policies and note 5 – Property, Plant and Equipment to the consolidated financial statements.</i></p> <p>As at December 31, 2025, the total net book value of PP&amp;E amounted to \$656.1 million, of which a significant portion related to the United States CGU. The Company reviews the carrying value of its PP&amp;E at each reporting period for indicators of impairment. Management applies significant judgment in assessing whether indicators of impairment exist that would necessitate impairment testing. Internal and external factors such as (i) a significant change in the market capitalization of the Company; (ii) changes in conditions of equipment; (iii) changes in oil and gas prices in the market; (iv) changes in forecasted earnings; and (v) changes in interest rates or other market rates of return, are evaluated by management in determining whether there are any indicators of impairment. As at December 31, 2025, the Company determined that there were no indicators of impairment for the United States CGU.</p> <p>We considered this a key audit matter due to (i) the significance of the PP&amp;E balance; (ii) significant management judgment; and (iii) the significant audit effort and subjectivity in applying audit procedures to evaluate management’s assessment as to whether there are indicators of impairment.</p>	<p>Our approach to addressing this matter included the following procedures, among others:</p> <ul style="list-style-type: none"> <li>• Evaluated reasonableness of management’s assessment of indicators of impairment for the United States CGU, which included the following procedures: <ul style="list-style-type: none"> <li>• Assessed the reasonableness of internal and external factors such as: <ul style="list-style-type: none"> <li>◦ assessed the changes in market capitalization of the Company by considering the market share price; and</li> <li>◦ changes in conditions of equipment, oil and gas prices, forecasted earnings of the United States CGU and interest rates or other market rates of return by considering external market data, management’s forecast, current and past performance of the United States CGU and evidence obtained in other areas of the audit, as applicable.</li> </ul> </li> <li>• Assessed the completeness of external or internal factors that could be considered as indicators of impairment of the United States CGU by considering evidence obtained in other areas of the audit.</li> </ul> </li> </ul>

## OTHER INFORMATION

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis and the information, other than the consolidated financial statements and our auditor's report thereon, included in the Annual Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up

to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Kory Wickenhauser.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants

Calgary, Alberta  
March 18, 2026

## CONSOLIDATED BALANCE SHEETS

	Note	As at December 31,	
		2025	2024
(C\$000s)		(\$)	(\$)
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents		6,664	44,045
Accounts receivable	12	242,348	251,108
Inventories	3	98,291	145,506
Prepaid expenses and deposits		10,084	26,452
		<b>357,387</b>	467,111
Assets classified as held for sale	4	—	45,335
		<b>357,387</b>	512,446
Non-current assets			
Property, plant and equipment	5	656,096	673,381
Right-of-use assets	11	16,247	20,013
Deferred income tax assets	9	17,469	29,000
		<b>689,812</b>	722,394
<b>Total assets</b>		<b>1,047,199</b>	1,234,840
<b>LIABILITIES AND EQUITY</b>			
Current liabilities			
Accounts payable and accrued liabilities	12	134,110	173,974
Income taxes payable		18,778	9,700
Current portion of long-term debt	6	40,000	150,000
Current portion of lease obligations	11	8,531	9,536
		<b>201,419</b>	343,210
Liabilities directly associated with assets classified as held for sale	4	—	30,945
		<b>201,419</b>	374,155
Non-current liabilities			
Long-term debt	6	163,425	170,908
Lease obligations	11	9,982	13,948
Deferred income tax liabilities	9	8,094	22,499
		<b>181,501</b>	207,355
<b>Total liabilities</b>		<b>382,920</b>	581,510
Capital stock	7	946,654	911,785
Contributed surplus		76,225	77,159
Accumulated deficit		(349,222)	(379,490)
Accumulated other comprehensive income		(9,378)	43,876
<b>Total equity</b>		<b>664,279</b>	653,330
<b>Total liabilities and equity</b>		<b>1,047,199</b>	1,234,840

Commitments (note 10); Contingencies (note 20)

See accompanying notes to the consolidated financial statements.

Approved by the Board of Directors,



Ronald P. Mathison, Director



Charles Pellerin, Director

## CONSOLIDATED STATEMENTS OF OPERATIONS

	Note	Year Ended Dec. 31,	
		2025	2024
		(\$)	(\$)
<i>(C\$000s, except per share data)</i>			
Revenue	16	<b>1,387,933</b>	1,567,482
Cost of sales	17	<b>1,236,685</b>	1,456,994
Gross profit		<b>151,248</b>	110,488
Expenses			
Selling, general and administrative	8	<b>61,404</b>	64,824
Foreign exchange gains	4, 12	<b>(12,995)</b>	(4,145)
(Gain) loss on disposal of property, plant and equipment		<b>(1,240)</b>	863
Write-off of property, plant and equipment	5	<b>225</b>	12,690
Impairment of inventory	3	<b>8,492</b>	—
Interest, net	6, 17	<b>29,411</b>	31,206
		<b>85,297</b>	105,438
Income before income tax		<b>65,951</b>	5,050
Income tax expense (recovery)	9		
Current		<b>26,258</b>	14,096
Deferred		<b>(2,240)</b>	(17,581)
		<b>24,018</b>	(3,485)
Net income from continuing operations		<b>41,933</b>	8,535
Net (loss) income from discontinued operations	4	<b>(11,665)</b>	1,847
Net income		<b>30,268</b>	10,382
Earnings (loss) per share – basic	7		<i>Restated</i>
Continuing operations		<b>0.48</b>	0.10
Discontinued operations		<b>(0.13)</b>	0.02
		<b>0.34</b>	0.12
Earnings (loss) per share – diluted	7		
Continuing operations		<b>0.48</b>	0.10
Discontinued operations		<b>(0.13)</b>	0.02
		<b>0.34</b>	0.12

See accompanying notes to the consolidated financial statements.

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

	Year Ended Dec. 31,	
	2025	2024
<i>(C\$000s)</i>	<i>(\$)</i>	<i>(\$)</i>
<b>Net income</b>	<b>30,268</b>	10,382
<b>Other comprehensive income</b>		
<b>Items that may be subsequently reclassified to profit or loss:</b>		
Foreign exchange translation differences recycled to the statement of operations	<b>(33,428)</b>	—
Change in foreign currency translation adjustment	<b>(19,826)</b>	27,676
<b>Comprehensive (loss) income</b>	<b>(22,986)</b>	38,058

See accompanying notes to the consolidated financial statements.

## CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Year Ended Dec. 31,	
		2025	2024
(C\$000s)		(\$)	(\$)
<b>CASH FLOWS PROVIDED BY (USED IN)</b>	2		<i>Restated</i>
<b>OPERATING ACTIVITIES</b>			
Net income		<b>41,933</b>	8,535
Adjusted for the following:			
Recycling of foreign currency translation from wind-up of financing subsidiaries	4	<b>(28,475)</b>	—
Depreciation	17	<b>124,787</b>	135,886
Stock-based compensation	8	<b>(861)</b>	(1,173)
Unrealized foreign exchange losses (gains)		<b>21,572</b>	817
(Gain) loss on disposal of property, plant and equipment		<b>(1,240)</b>	863
Write-off of property, plant and equipment		<b>225</b>	12,690
Impairment of inventory		<b>8,492</b>	—
Interest, net	6, 17	<b>29,411</b>	31,206
Interest paid		<b>(33,766)</b>	(29,339)
Deferred income taxes		<b>(2,240)</b>	(17,581)
Changes in non-cash working capital	13	<b>35,584</b>	(13,409)
Cash flows provided by operating activities from continuing operations		<b>195,422</b>	128,495
Cash flows provided by (used in) operating activities from discontinued operations	4	<b>4,173</b>	(1,311)
Net cash flows provided by operating activities	2	<b>199,595</b>	127,184
<b>INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	13	<b>(129,035)</b>	(183,839)
Proceeds on disposal of property, plant and equipment		<b>11,363</b>	14,708
Proceeds on disposal of right-of-use assets		<b>1,324</b>	1,754
Cash flows used in investing activities from continuing operations		<b>(116,348)</b>	(167,377)
Cash flows used in investing activities from discontinued operations	4	<b>(8,282)</b>	(2,276)
Net cash flows used in investing activities	2	<b>(124,630)</b>	(169,653)
<b>FINANCING ACTIVITIES</b>			
Issuance of long-term debt, net of debt issuance costs	6	<b>198,502</b>	119,966
Long-term debt repayments	6	<b>(310,372)</b>	(65,000)
Lease obligation principal repayments	11	<b>(9,922)</b>	(11,564)
Net proceeds on issuance of common shares	7, 8	<b>34,795</b>	542
Cash flows (used in) provided by financing activities from continuing operations		<b>(86,997)</b>	43,944
Cash flows provided by financing activities from discontinued operations	4	<b>—</b>	—
Net cash flows (used in) provided by financing activities	2	<b>(86,997)</b>	43,944
Effect of exchange rate changes on cash and cash equivalents		<b>(32,080)</b>	4,111
(Decrease) increase in cash and cash equivalents		<b>(44,112)</b>	5,586
Cash and cash equivalents, beginning of year		<b>50,776</b>	45,190
Cash and cash equivalents, end of year		<b>6,664</b>	50,776
Included in the cash and cash equivalents per the balance sheet		<b>6,664</b>	44,045
Included in the assets held for sale/discontinued operations	4	<b>—</b>	6,731

See accompanying notes to the consolidated financial statements.

## CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Equity
(C\$000s)		(\$)	(\$)	(\$)	(\$)	(\$)
<b>Balance – January 1, 2025</b>		<b>911,785</b>	<b>77,159</b>	<b>43,876</b>	<b>(379,490)</b>	<b>653,330</b>
Net income		—	—	—	30,268	<b>30,268</b>
Other comprehensive income:						
Foreign exchange translation differences recycled to the statement of operations	4	—	—	(33,428)	—	<b>(33,428)</b>
Cumulative translation adjustment		—	—	(19,826)	—	<b>(19,826)</b>
Comprehensive (loss) income		—	—	(53,254)	30,268	<b>(22,986)</b>
Shares issued	7	34,677	—	—	—	<b>34,677</b>
Stock options:						
Stock-based compensation recognized	8	—	(861)	—	—	<b>(861)</b>
Proceeds from issuance of shares	7, 8	192	(73)	—	—	<b>119</b>
<b>Balance – December 31, 2025</b>		<b>946,654</b>	<b>76,225</b>	<b>(9,378)</b>	<b>(349,222)</b>	<b>664,279</b>
Balance – January 1, 2024		910,908	78,667	16,200	(389,872)	615,903
Net income		—	—	—	10,382	10,382
Other comprehensive income:						
Cumulative translation adjustment		—	—	27,676	—	27,676
Comprehensive income		—	—	27,676	10,382	38,058
Stock options:						
Stock-based compensation recognized	8	—	(179)	—	—	(179)
Proceeds from issuance of shares	7, 8	877	(335)	—	—	542
Performance share units:						
Stock-based compensation recognized	8	—	(994)	—	—	(994)
<b>Balance – December 31, 2024</b>		<b>911,785</b>	<b>77,159</b>	<b>43,876</b>	<b>(379,490)</b>	<b>653,330</b>

See accompanying notes to the consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at and for the years ended December 31, 2025 and 2024

*(Amounts in text and tables are in thousands of Canadian dollars, except share data and certain other exceptions as indicated)*

### 1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Calfrac Well Services Ltd. (the “Company”) was formed through the amalgamation of Calfrac Well Services Ltd. (predecessor company was originally incorporated on June 28, 1999 and amalgamated with Denison Energy Inc. on March 24, 2004) and Dominion Land Projects Ltd. on January 1, 2011 under the Business Corporations Act (Alberta). The Company was continued under the Canada Business Corporations Act on December 17, 2020. The Company’s principal place of business is at Suite 601, 407 – 8th Avenue S.W., Calgary, Alberta, Canada, T2P 1E5. The Company provides specialized oilfield services from its continuing operations, including hydraulic fracturing, coiled tubing, cementing and wireline services to the oil and natural gas industries in the United States, Canada, and Argentina.

These consolidated financial statements were prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

These financial statements were approved by the Board of Directors for issuance on March 18, 2026.

### 2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The policies set out below were consistently applied to the periods presented.

#### (a) Basis of Measurement

The consolidated financial statements were prepared under the historical cost convention, except for the revaluation of certain financial assets and liabilities to fair value.

#### (b) Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries in Canada, the United States, Russia and Argentina. All intercompany transactions, balances and resulting unrealized gains and losses are eliminated upon consolidation.

Subsidiaries are those entities which the Company controls by having the power to govern their financial and operating policies. The existence and effect of voting rights that are exercisable or convertible are considered when assessing whether the Company controls another entity. Subsidiaries are fully consolidated upon the Company obtaining control and are deconsolidated upon control ceasing.

#### (c) Changes in Accounting Standards and Disclosures

The Company adopted Organisation for Economic Co-operation and Development (“OECD”) Pillar Two model rules, which provide a template that jurisdictions can translate into domestic tax law and implement as part of an agreed common approach. Pillar Two legislation in Canada is substantively enacted. Other jurisdictions where the Company operates have either enacted legislation or are in the process of doing so. In terms of the potential implications for income tax accounting, the Company has applied the exception available under the amendments to IAS 12 *Income Taxes* published by the International Accounting Standards Board in May 2023 and are not recognizing or disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. The Company has completed its assessment on its exposure to Pillar Two income taxes and the impact of Pillar Two provisions is not expected to be material to the Company.

#### (d) Change in Accounting Policy Disclosure

Effective January 1, 2025, the Company changed its statement of cash flows presentation to disclose the cash flow categories (operating, investing and financing) between continuing and discontinued operations. Prior period comparatives have been restated to conform with the current presentation. Management believes this change in presentation provides users of the financial statements with more relevant information about the Company’s cash flow activities and a clearer understanding of the cash flow generated from continuing operations.

#### (e) Critical Accounting Estimates and Judgments

The preparation of the consolidated financial statements requires that certain estimates and judgments be made concerning the reported amount of revenue and expenses and the carrying values of assets and liabilities. These estimates are based on historical experience and management's judgment. The estimation of anticipated future events involves uncertainty and, consequently, the estimates used by management in the preparation of the consolidated financial statements may change as future events unfold, additional experience is acquired or the environment in which the Company operates changes. The accounting policies and practices that involve the use of estimates that have a significant impact on the Company's financial results include the allowance for doubtful accounts, depreciation, the fair value of financial instruments, income taxes, and stock-based compensation.

Judgment is also used in the determination of cash-generating units (CGUs), impairment or reversal of impairment of non-financial assets, the functional currency of each subsidiary, and the classification of assets held for sale and discontinued operations, including the determination of loss of control over a subsidiary.

##### i) Expected Credit Loss

The Company performs ongoing credit evaluations of its customers and grants credit based on a review of historical collection experience, current aging status, the customer's financial condition and anticipated industry conditions. Customer payments are regularly monitored and a provision for expected credit loss is established based on expected and incurred losses and overall industry conditions. See note 12 for further information.

##### ii) Depreciation

Depreciation of the Company's property and equipment incorporates estimates of useful lives and residual values. These estimates may change as more experience is obtained or as general market conditions change, thereby affecting the value of the Company's property and equipment.

##### iii) Fair Value of Financial Instruments

The Company's financial instruments included in the consolidated balance sheets are comprised of cash and cash equivalents, accounts receivable, deposits, bank overdrafts, accounts payable and accrued liabilities, bank loan, and long-term debt.

The fair values of these financial instruments, except long-term debt, approximate their carrying amounts due to their short-term maturity. The fair values of the remaining long-term debt approximate their carrying values.

##### iv) Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement amounts of existing assets and liabilities and their respective tax bases. Estimates of the Company's future taxable income were considered in assessing the utilization of available tax losses. The Company's business is complex and the calculation of income taxes involves many complex factors as well as the Company's interpretation of relevant tax legislation and regulations.

See note 9 for further information on income taxes.

##### v) Share-Based Payments

The fair value of stock options, performance stock options and performance share units is estimated at the grant date using the Black-Scholes option pricing model, which includes underlying assumptions related to the risk-free interest rate, average expected option or unit life, estimated forfeitures, estimated volatility of the Company's shares and anticipated dividends. The vesting conditions associated with the performance stock options and performance share units are non-market and are assessed at each reporting period to determine if the targets are probable or not probable of being met.

The fair value of the deferred share units is recognized based on the market value of the Company's shares underlying these compensation programs.

See note 8 for further information on share-based payments.

## vi) Functional Currency

Management applies judgment in determining the functional currency of its foreign subsidiaries. Judgment is made regarding the currency that influences and determines sales prices, labour, material and other costs as well as financing and receipts from operating income.

## vii) Cash-Generating Units

The determination of CGUs is based on management's judgment regarding shared equipment, mobility of equipment, geographical proximity, and materiality.

## viii) Impairment or Reversal of Impairment of Property, Plant and Equipment

Property, plant and equipment are tested for impairment when events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount. The recoverable amount of cash-generating units is the higher of the CGU's fair value less costs of disposal and value in use (defined as the present value of the future cash flows to be derived from an asset). These calculations require the use of judgment applied by management regarding expected revenue and operating income growth, expected future results, and after-tax discount rates. See note 5 for further information on impairment of property, plant and equipment.

Assessment of reversal of impairment is based on management's judgment of whether there are internal and external factors that would indicate that the conditions for reversal of impairment of an asset or CGU are present.

Management applies significant judgment in assessing whether indicators of impairment or impairment reversal exist that would necessitate either impairment testing or impairment reversal calculations. Internal and external factors such as (i) a significant change in the market capitalization of the Company; (ii) changes in conditions of equipment, (iii) changes in oil and gas prices in the market, (iv) changes in forecasted earnings, and (v) changes in interest rates or other market rates of return, are evaluated by management in determining whether there are any indicators of impairment or impairment reversal.

## (f) Foreign Currency Translation

## i) Functional and Presentation Currency

Each of the Company's subsidiaries is measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Canadian dollars, which is the Company's presentation currency.

The financial statements of the subsidiaries that have a different functional currency are translated into Canadian dollars whereby assets and liabilities are translated at the rate of exchange at the balance sheet date, revenue and expenses are translated at average monthly exchange rates (as this is considered a reasonable approximation of actual rates), and gains and losses in translation are recognized in shareholders' equity as accumulated other comprehensive income.

The following foreign entities have a functional currency other than the Canadian dollar:

<b>Entity</b>	<b>Functional Currency</b>
United States	U.S. dollar
Argentina	U.S. dollar

In the event the Company disposed of its entire interest in a foreign operation, or lost control, joint control, or significant influence over a foreign operation, the related foreign currency gains or losses accumulated in other comprehensive income would be recognized in profit or loss. If the Company disposed of part of an interest in a foreign operation which remained a subsidiary, a proportionate amount of the related foreign currency gains or losses accumulated in other comprehensive income would be reallocated between controlling and non-controlling interests.

## ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the transaction date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from

the translation at period-end exchange rates of monetary assets and liabilities denominated in currencies other than an entity's functional currency are recognized in the consolidated statements of operations.

#### (g) Financial Instruments

The impairment model under IFRS 9 *Financial Instruments* requires the recognition of impairment provisions based on expected and incurred credit losses rather than only incurred credit losses. The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected credit loss model to its trade accounts receivable. Lifetime expected credit losses are the result of all possible default events over the expected life of the financial instrument.

##### i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortized cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income.

The Company reclassifies financial assets when and only when its business model for managing those assets changes.

##### ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement of financial assets depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its financial assets:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains or losses and impairment expenses are presented as separate line item in profit or loss.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss. A gain or loss on a financial asset that is subsequently measured at fair value through profit or loss is recognized in profit or loss and presented net within other gains or losses in the period in which it arises.

See note 12 for further information on financial instruments.

##### iii) Derecognition

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all the associated risks and rewards of ownership to another entity. When a financial asset classified as amortized cost is derecognized, any gain or loss arising on derecognition is

recognized directly in profit or loss and is presented together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in profit or loss. When a financial asset classified as fair value through other comprehensive income is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in other gains and losses.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized directly in profit or loss.

When the Company uses equity instruments to extinguish a financial liability, the equity instruments are considered as consideration paid. The equity instruments are measured at the fair value, unless fair value is not reliably determinable, in which case the equity instruments issued are measured at the fair value of the liability extinguished. If the consideration paid exceeds the carrying value of the financial liability extinguished a gain is recognized in profit or loss.

#### iv) Derivatives that do not Qualify for Hedge Accounting

Derivatives are only used for economic hedging purposes and not as speculative investments. Where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss.

The full fair value of hedging derivatives is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months. It is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

See note 12 for further information about the derivatives used by the Company.

#### (h) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit and short-term investments with original maturities of three months or less.

#### (i) Inventory

Inventory consists of chemicals, sand and proppant, coiled tubing, cement, and nitrogen used to stimulate oil and natural gas wells, as well as spare parts. Inventory is stated at the lower of cost, determined on a first-in, first-out basis, and net realizable value. Net realizable value is the estimated selling price less applicable selling expenses. If carrying value exceeds net realizable amount, a write-down is recognized. The write-down may be reversed in a subsequent period if the circumstances which caused it no longer exist.

#### (j) Property, Plant and Equipment

Property, plant and equipment are recorded at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to the consolidated statements of operations during the period in which they are incurred.

Property, plant and equipment are depreciated over their estimated useful economic lives using the straight-line method over the following periods:

Field equipment	5 – 30 years
Buildings	20 years
Shop, office and other equipment	5 years
Computers and computer software	3 years
Leasehold improvements	Term of the lease

Depreciation of an asset begins when it is available for use. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is derecognized. Depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. Assets under construction are not depreciated until they are available for use.

The Company allocates the amount initially recognized in respect of an item of property, plant and equipment to its significant components and depreciates each component separately. Residual values, method of amortization and useful lives are reviewed annually and adjusted, if appropriate.

Gains and losses on disposals of property, plant and equipment are determined by comparing the proceeds with the carrying amount of the assets and are included in the consolidated statements of operations.

#### (k) Borrowing Costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Qualifying assets are defined as assets which take a substantial period to construct (generally greater than one year). All other borrowing costs are recognized as interest expense in the consolidated statements of operations in the period in which they are incurred. The Company does not currently have any qualifying assets.

#### (l) Leases

Under IFRS 16 *Leases*, leases are recognized as a right-of-use (ROU) asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability (principal) and interest. The interest is charged to the statement of operations over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The ROU asset is depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term on a straight-line basis.

The Company recognizes a ROU asset at cost consisting of the amount of the initial measurement of the lease liability, plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, the initial estimate of any restoration costs and any initial direct costs incurred by the lessee. The provision for any restoration costs is recognized as a separate liability as set out in IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

The Company recognizes a lease liability equal to the present value of the lease payments during the lease term that are not yet paid. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Company's incremental borrowing rate. Lease payments to be made under reasonably certain extension options are also included in the measurement of the lease liability. The Company initially estimates and recognizes amounts expected to be payable under residual value guarantees as part of the lease liability. Typically, the expected residual value at the commencement of the lease is equal to or higher than the guaranteed amount, and the Company does not expect to pay anything under the guarantees.

Payments associated with variable lease payments, short-term leases and leases of low value assets are recognized as an expense in the statement of operations. Short-term leases are leases with a lease term of twelve months or less. Low value assets comprise I.T. equipment and small items of office equipment.

#### (m) Impairment or Reversal of Impairment of Non-Financial Assets

Property, plant and equipment are tested for impairment when events or changes in circumstances indicate that the carrying amount exceeds its recoverable amount. Long-lived assets that are not amortized are subject to an annual impairment test. For the purpose of measuring recoverable amounts, assets are grouped in CGUs, the lowest level with separately identifiable cash inflows that are largely independent of the cash inflows of other assets. The recoverable amount is the higher of the CGU's fair value less costs of disposal and value in use (defined as the present value of the future cash flows to be derived from an asset). An impairment loss is recognized for the amount by which the CGU's carrying amount exceeds its recoverable amount.

The Company assesses at the end of each reporting period whether there is any indication that an impairment loss recognized in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the Company estimates the recoverable amount of that asset to determine if the reversal of impairment loss is supported.

#### (n) Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in the consolidated statements of operations except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates except, in the case of subsidiaries, when the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities when there is an intention to settle the balances on a net basis.

Deferred income tax assets and liabilities are presented as non-current.

For the purposes of calculating income taxes during interim periods, the Company utilizes estimated annualized income tax rates. Current income tax expense is only recognized when taxable income is such that current income tax becomes payable.

#### (o) Revenue Recognition

Under IFRS 15 *Revenue from Contracts with Customers*, the Company recognizes revenue for services rendered when the performance obligations have been completed, as control of the services transfer to the customer, when the services performed have been accepted by the customer, and collectability is reasonably assured. The consideration for services rendered is measured at the fair value of the consideration received and allocated based on their standalone selling prices. The standalone selling prices are determined based on the agreed upon list prices at which the Company sells its services in separate transactions. Payment terms with customers vary by country and contract. Standard payment terms are 30 days from invoice date.

Revenue for the sale of product is recognized when control or ownership of the product is transferred to the customer and collectability is reasonably assured.

Revenue is measured net of returns, trade discounts and volume discounts.

The Company does not expect to have any revenue contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

See note 16 for further information on revenue.

#### (p) Stock-Based Compensation Plans

The Company recognizes compensation cost for the fair value of stock options and performance share units granted. Under this method, the Company records the fair value based on the number of options or units expected to vest over their vesting period as a charge to compensation expense and a credit to contributed surplus. The fair value of each tranche within an award is considered a separate award with its own vesting period and grant date. The fair value of each tranche within an award is measured at the date of grant using the Black-Scholes option pricing model.

The number of awards expected to vest is reviewed on an ongoing basis, with any impact being recognized immediately.

The Company recognizes compensation cost for the fair value of deferred share units granted to its outside directors. The fair value of the deferred share units is recognized based on the market value of the Company's shares underlying these compensation programs.

#### (q) Business Combinations

The Company applies the acquisition method to account for business combinations. The consideration transferred for the acquisition is the fair value of the assets transferred and the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Company. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Company recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets.

Acquisition costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the statement of operations as a gain on acquisition.

#### (r) Non-current Assets Held for Sale and Discontinued Operations

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets that are carried at fair value, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset is recognized at the date of derecognition.

Non-current assets are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities directly associated with assets classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the statement of profit or loss.

#### (s) Recently Issued Accounting Standards Not Yet Applied

The Company is assessing the impact of the following amendment to the standards and interpretations applicable for future periods:

The IASB issued targeted amendments to IFRS 9 and IFRS 7 to address the settlement of financial liabilities via electronic payment systems and refine the assessment of contractual cash flow characteristics of financial assets. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. These changes are not expected to have a material impact on the financial statements.

The IASB issued IFRS 18 *Presentation and Disclosure in Financial Statements* which will replace IAS 1 *Presentation of Financial Statements*, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss with defined subtotals;
- requirement to determine the most useful structure summary for presenting expenses in the statement of profit or loss;
- required disclosures in a single note within the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements; and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements. The new standard is effective for annual periods beginning on or after January 1, 2027. Retrospective application is required, and therefore, the comparative information for the financial year ending December 31, 2026 will be restated in accordance with IFRS 18. The Company is continuing to evaluate the impacts of adopting IFRS 18 on the consolidated financial statements.

### 3. INVENTORIES

As at December 31, (C\$000s)	2025 (\$)	2024 (\$)
Spare parts	71,043	98,053
Chemicals	12,282	22,849
Sand and proppant	9,386	18,729
Coiled tubing	5,572	5,855
Other	8	20
	<b>98,291</b>	<b>145,506</b>

For the year ended December 31, 2025, the cost of inventories recognized as an expense and included in cost of sales was approximately \$433,000 (year ended December 31, 2024 – \$552,000).

The Company reviews the carrying value of its inventory on an ongoing basis for obsolescence and to verify that the carrying value exceeds the net realizable amount. During the year ended December 31, 2025, the Company performed an extensive review of the carrying value of its inventories across all of its operating segments and recorded an impairment of \$8,492 to write-off obsolete inventory to its net realizable amount (year ended December 31, 2024 – \$nil). The impairment was primarily related to spare parts inventory.

Years Ended December 31, (C\$000s)	2025 (\$)	2024 (\$)
Canada	2,060	—
United States	4,350	—
Argentina	2,082	—
	<b>8,492</b>	<b>—</b>

### 4. ASSETS HELD FOR SALE AND WIND-UP OF U.S. FINANCING SUBSIDIARIES

#### (a) Assets Held for Sale

During the first quarter of 2022, management committed to a plan to sell its Russian division. The associated assets and liabilities were consequently presented as held for sale in the Company's financial statements, effective March 31, 2022, in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

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 its Russian operations 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 its Russian subsidiary must be approved by the President of the Russian Federation pursuant to applicable decrees and rules setting out the requirements for exits of foreign investors from Russia (which are updated on a periodic basis). Within this dynamic context, the Company remains committed to the sale of its Russian subsidiary and is seeking to complete this transaction as soon as possible while complying with all applicable laws and sanctions.

During the fourth quarter of 2025, management determined that the Company ceased controlling its Russian subsidiary under IFRS due to the cumulative impacts of applicable sanctions and certain new covenants under the Company's credit agreement that restrict the Company's permitted commercial dealings with the Russian subsidiary. As a result, the net assets of the Russian subsidiary were adjusted to reflect their revised expected recoverable amount of \$nil. Commencing in the fourth quarter, the net profit or loss of the Russian subsidiary is no longer recorded in the Company's consolidated financial statements. As a result of this change in classification, a cumulative foreign currency translation adjustment of \$4,953 that was directly attributable to the Russian subsidiary was recycled through the statement of operations.

The functional currency of the Russian subsidiary is the Russian rouble.

Years Ended December 31, (C\$000s)	2025 (\$)	2024 (\$)
Impairment of property, plant and equipment	8,286	2,293
Impairment of inventory	13,592	11,761
Impairment of other assets	18,327	12,120
	<b>40,205</b>	26,174

The financial performance and cash flow information of the Russia operating division are:

Years Ended December 31, (C\$000s)	2025 (\$)	2024 (\$)
Revenue	138,377	155,521
Expenses	108,300	124,926
Impairment	40,205	26,174
(Loss) income before income tax	(10,128)	4,421
Income tax expense	1,537	2,574
Net (loss) income	(11,665)	1,847

Years Ended December 31, (C\$000s)	2025 (\$)	2024 (\$)
Net cash used in operating activities	4,173	(1,311)
Net cash used in investing activities	(8,282)	(2,276)
Effect of exchange rate changes on cash and cash equivalents	(8,013)	510
Decrease in cash and cash equivalents	(12,122)	(3,077)

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operations:

As at December 31, (C\$000s)	2025 (\$)	2024 (\$)
<b>Assets classified as held for sale</b>		
Cash and cash equivalents	—	6,731
Accounts receivable	—	38,604
	—	<b>45,335</b>
<b>Liabilities directly associated with assets classified as held for sale</b>		
Accounts payable and accrued liabilities	—	30,031
Income taxes payable	—	914
	—	<b>30,945</b>

No deferred tax asset is recognized for the assets held for sale/discontinued operations.

The cumulative foreign exchange gains recognized in other comprehensive income in relation to the discontinued operations as at December 31, 2025 was \$nil (December 31, 2024 – \$8,114).

(b) Wind-up of U.S. Financing Subsidiaries

During the fourth quarter, the Company completed the wind-up of its U.S. financing subsidiaries that were associated with its Second Lien Notes. As a result, a cumulative foreign currency translation adjustment of \$28,475 that was directly attributable to these entities was recycled as a net foreign exchange gain in the statement of operations upon wind-up.

## 5. PROPERTY, PLANT AND EQUIPMENT

Year Ended December 31, 2025 (C\$000s)	Opening Net Book Value (\$)	Additions (\$)	Disposals (\$)	Write-Off (\$)	Depreciation (\$)	Foreign Exchange Adjustments (\$)	Closing Net Book Value (\$)
Assets under construction <sup>(1)</sup>	81,399	(29,586)	—	—	—	(2,947)	48,866
Field equipment	527,216	154,082	(6,311)	(225)	(111,118)	(17,466)	546,178
Buildings	23,101	1,583	(1,576)	—	(3,840)	(784)	18,484
Land	38,188	30	(2,193)	—	—	(939)	35,086
Shop, office and other equipment	914	405	(299)	—	(103)	(50)	867
Computers and computer software	2,532	6,011	—	—	(1,916)	(15)	6,612
Leasehold improvements	31	—	—	—	(26)	(2)	3
	<b>673,381</b>	<b>132,525</b>	<b>(10,379)</b>	<b>(225)</b>	<b>(117,003)</b>	<b>(22,203)</b>	<b>656,096</b>

<sup>(1)</sup> Additions for assets under construction are net of transfers into the other categories of property, plant and equipment when they become available for use (additions of \$132,495 less transfers of \$162,081).

As at December 31, 2025 (C\$000s)	Cost (\$)	Accumulated Depreciation (\$)	Net Book Value (\$)
Assets under construction	48,866	—	48,866
Field equipment	2,820,915	(2,274,737)	546,178
Buildings	88,465	(69,981)	18,484
Land	35,086	—	35,086
Shop, office and other equipment	29,056	(28,189)	867
Computers and computer software	55,314	(48,702)	6,612
Leasehold improvements	8,832	(8,829)	3
	<b>3,086,534</b>	<b>(2,430,438)</b>	<b>656,096</b>

Year Ended December 31, 2024	Opening Net Book Value	Additions	Disposals	Reversal of Impairment	Depreciation	Foreign Exchange Adjustments	Closing Net Book Value
(C\$000s)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Assets under construction <sup>(1)</sup>	90,088	(13,307)	—	—	—	4,618	81,399
Field equipment	455,998	179,692	(10,530)	(12,690)	(116,667)	31,413	527,216
Buildings	28,120	1,324	(3,923)	—	(4,002)	1,582	23,101
Land	38,088	—	(1,595)	—	—	1,695	38,188
Shop, office and other equipment	223	858	(57)	—	(172)	62	914
Computers and computer software	1,986	1,722	—	—	(1,176)	—	2,532
Leasehold improvements	52	—	—	—	(27)	6	31
	<b>614,555</b>	<b>170,289</b>	<b>(16,105)</b>	<b>(12,690)</b>	<b>(122,044)</b>	<b>39,376</b>	<b>673,381</b>

<sup>(1)</sup> Additions for assets under construction are net of transfers into the other categories of property, plant and equipment when they become available for use (additions of \$170,335 less transfers of \$183,642).

As at December 31, 2024	Cost	Accumulated Depreciation	Net Book Value
(C\$000s)	(\$)	(\$)	(\$)
Assets under construction	81,399	—	81,399
Field equipment	2,665,339	(2,138,123)	527,216
Buildings	88,277	(65,176)	23,101
Land	38,188	—	38,188
Shop, office and other equipment	28,678	(27,764)	914
Computers and computer software	49,274	(46,742)	2,532
Leasehold improvements	8,832	(8,801)	31
	<b>2,959,987</b>	<b>(2,286,606)</b>	<b>673,381</b>

#### a) 2025 Impairment Assessment

Property, plant and equipment are tested for impairment in accordance with the Company's accounting policy. The Company reviews the carrying value of its property, plant and equipment at each reporting period for indicators of impairment. As well, the Company assesses at the end of each reporting period whether there is any indication that an impairment loss recognized in prior periods for an asset or cash-generating unit (CGU) may no longer exist or may have decreased. If any such indication exists, the Company estimates the recoverable amount of that CGU to determine if the reversal of impairment loss is supported.

The Company's CGUs are determined to be at the country level, consisting of Canada, the United States, and Argentina.

As at December 31, 2025, the Company determined that there were no changes in the indicators of impairment or any new indicators of impairment for all its CGUs since the last impairment assessment that was carried out as at December 31, 2024. There are no events or changes in circumstances indicating that an estimate of the recoverable amount of property, plant and equipment is required for the year ended December 31, 2025.

#### b) 2024 Impairment Assessment

As at December 31, 2024, the Company determined that for its Canada and Argentinean CGUs, there were no changes in the indicators of impairment or any new indicators of impairment since the last impairment assessment that was carried out as at December 31, 2023. There are no events or changes in circumstances indicating that an estimate of the recoverable amount of property, plant and equipment is required for the year ended December 31, 2024.

For the United States CGU, the 2024 financial results were impeded by lower activity and pricing, due, in part, to a year-over-year decline in natural gas prices. The Company recognized this is an indicator of impairment that warrants an assessment on the recoverable amount of the United States CGU as at December 31, 2024.

The recoverable amount of the United States CGU is based on fair value less costs of disposal determined using discounted cash flows. Cash flow assumptions are based on a combination of historical and expected future results, using the following main significant assumptions:

- Expected revenue growth
- Expected operating income growth
- After-tax discount rate

Revenue and operating income growth rates are based on a combination of commodity price assumptions, historical results and forecasted activity levels, which incorporates pricing, utilization and cost improvements over the forecast period. The cumulative annual growth rates for revenue and operating income over the forecast period from 2025 to 2029 ranged from 8.9 percent to 19.9 percent.

The cash flows are prepared on a five-year basis, using a relevant weighted average cost of capital of 16.0 percent based on the nature of underlying assets, adjusted for risk factors specific to the United States CGU. Cash flows beyond that five-year period are extrapolated using a steady 2.0 percent growth rate.

Based on the impairment test that was conducted as at December 31, 2024, a comparison of the recoverable amount of the United States cash-generating unit with its carrying amount resulted in no impairment against property, plant and equipment.

A sensitivity analysis assuming a 1% change in the discount rate or 10% change in expected future cash flows of the United States CGU would have no impact on the impairment on the December 31, 2024 impairment test.

Assumptions that are valid at the time of preparing the impairment test may change significantly when new information becomes available. The Company will continue to monitor and update its assumptions and estimates with respect to property, plant and equipment impairment on an ongoing basis.

#### c) Write-Off of Property, Plant and Equipment

In addition, the Company carried out a comprehensive review of its property, plant and equipment and identified assets in Argentina that were deemed to be obsolete, and therefore, no longer able to generate cash inflows. The net book value of these assets totaled \$225 and were written off during the year ended December 31, 2025 (December 31, 2024 – \$12,690).

The write-off of property, plant and equipment by CGU are as follows:

Years Ended December 31,	2025	2024
(C\$000s)	(\$)	(\$)
United States	—	12,690
Argentina	225	—
	<b>225</b>	12,690

## 6. LONG-TERM DEBT

As at December 31,	2025	2024
(C\$000s)	(\$)	(\$)
\$250,000 extendible revolving credit facilities due July 1, 2028, secured by the Canadian and U.S. assets of the Company on a first priority basis	85,000	150,000
\$120,000 delay draw term facility ("Term Loan") due July 1, 2028, secured by the Canadian and U.S. assets of the Company on a first priority basis	120,000	—
US\$120,000 Second Lien Notes due March 15, 2026, bearing interest at 10.875% payable semi-annually, secured by the Canadian and U.S. assets of the Company on a second priority basis	—	172,668
Less: unamortized debt issuance costs	(1,575)	(1,760)
	<b>203,425</b>	<b>320,908</b>
Current portion	40,000	150,000
Long-term portion	163,425	170,908
	<b>203,425</b>	<b>320,908</b>

During the fourth quarter, the Company closed its Rights Offering for net proceeds of \$34,677. The net proceeds of the Rights Offering, combined with a drawdown of the Company's \$120,000 Term Loan were used together to redeem the outstanding US\$120,000 Second Lien Notes. After the redemption of the Second Lien Notes, the Company's revolving credit facilities was reclassified back to long-term debt from current liabilities.

The carrying values of the revolving credit facilities and Term Loan approximate its fair value as the interest rates are not significantly different from current interest rates for similar loans. The fair value of the Second Lien Notes for the prior year comparative period, as measured based on the quoted market price at December 31, 2024 was \$171,561.

Debt issuance costs related to the Company's long-term debt are amortized over their respective term.

Interest on long-term debt (including the amortization of debt issuance costs and debt discount) for the year ended December 31, 2025 was \$29,594 (year ended December 31, 2024 – \$33,472).

### (a) Credit Facility

As at December 31, 2025, the Company had credit facilities with a syndicate of Canadian-based lenders comprised of a \$215,000 syndicated facility, \$35,000 operating facility and \$120,000 Term Loan. The maturity date of the credit facilities is July 1, 2028.

The Company and its lenders amended the credit agreement on June 27, 2025 to change the definition of Bank EBITDA for the purposes of its financial covenant calculations. The previous definition of Bank EBITDA restricted Adjusted EBITDA derived from the Company's Argentina operations to a maximum of 25 percent of total Adjusted EBITDA from continuing operations. The revised Bank EBITDA definition includes EBITDA generated in North America plus any net cash flow repatriated from Argentina. The amendments also reduced the minimum net tangible assets required to be located in North America to \$700,000. Previously, the agreement required a minimum of \$750,000 or 75 percent of net tangible assets from continuing operations to be located in North America.

The credit agreement can be extended by one or more years at the Company's request and lenders' acceptance. The Company may also prepay principal without penalty. The interest rates are based on the parameters of certain bank covenants. For prime-based loans and U.S. base-rate loans, the rate ranges from prime or U.S. base rate plus 1.25 percent to prime plus 3.00 percent. For SOFR-based loans and CORRA-based loans, the margin thereon ranges from 2.25 percent to 4.00 percent above the respective base rates.

On August 7, 2025, the Company and its lenders amended and restated the credit agreement to include the \$120,000 delay draw term facility ("Term Loan"). The full amount of the Term Loan was drawn on December 23, and is required to be repaid commencing in the third quarter following such drawdown, in equal quarterly principal payments designed to fully amortize the Term Loan to zero prior to its maturity. The Company may prepay principal without penalty, however, any principal repaid on the Term Loan may not be re-drawn. The interest rates for the Term Loan range from 3.75 percent to 4.25 percent above the base rates for CORRA-based loans, and a standby fee of 0.75 percent applies from closing date until the date of the drawdown which was December 23.

As at December 31, 2025, the Company was in full compliance with the financial covenants related to its credit facilities. See note 14 for further details on the covenants in respect of the Company's long-term debt.

(b) Second Lien Notes

During the quarter, the Company redeemed its US\$120,000 10.875% second lien secured notes ("Second Lien Notes") at 100.000%, plus accrued and unpaid interest, totaling approximately \$170,275.

The following table sets out an analysis of long-term debt and the movements in long-term debt:

As at December 31, (C\$000s)	2025 (\$)	2024 (\$)
Balance, beginning of year	<b>320,908</b>	250,777
Issuance of long-term debt, net of debt issuance costs	<b>198,502</b>	119,966
Long-term debt repayments	<b>(310,372)</b>	(65,000)
Amortization of debt issuance costs and debt discount	<b>1,652</b>	1,321
Foreign exchange adjustments	<b>(7,265)</b>	13,844
Balance, end of year	<b>203,425</b>	320,908

At December 31, 2025, the Company had \$161,106 in available liquidity under its credit facilities. See note 14 for further details on the covenants in respect of the Company's long-term debt.

The aggregate scheduled principal repayments required in each of the next five years are as follows:

As at December 31, 2025 (C\$000s)	Amount (\$)
2026	40,000
2027	53,333
2028	111,667
2029	—
2030	—
Thereafter	—
	205,000

## 7. CAPITAL STOCK

Authorized capital stock consists of an unlimited number of common shares.

Years Ended December 31,	2025		2024	
Continuity of Common Shares	Shares (#)	Amount (\$000s)	Shares (#)	Amount (\$000s)
Balance, beginning of year	<b>85,869,460</b>	<b>911,785</b>	85,716,129	910,908
Issued from Rights Offering	<b>13,011,153</b>	<b>34,677</b>	—	—
Issued upon exercise of stock options (note 8)	<b>33,331</b>	<b>192</b>	153,331	877
Balance, end of year	<b>98,913,944</b>	<b>946,654</b>	85,869,460	911,785

Years Ended December 31,	2025 (#)	2024 (#)
Weighted average number of common shares outstanding – Basic	<b>87,995,825</b>	87,515,712
Dilutive effect of stock options and other equity-based awards	<b>5,103</b>	323,396
Weighted average number of common shares outstanding – Diluted	<b>88,000,928</b>	87,839,108

The Company's Rights Offering was carried out at a subscription price of \$2.69 per whole common share, which represented a 15% discount to the volume weighted average trading price of the common shares on the Toronto Stock Exchange (the "TSX") for the five trading days immediately preceding the announcement of the Rights Offering. In accordance with IFRS, the basic weighted average number of shares outstanding was adjusted to reflect the discount that was offered for the Company's Rights Offering. This adjustment is made in both the current and comparative year.

The dilutive effect of stock options (as disclosed in note 8) has been included in the determination of the weighted average number of common shares outstanding. The performance stock options and performance share units have not been included in the determination of weighted average number of common shares outstanding as they are contingently issuable and the multi-year cumulative EBITDA target was not met.

## 8. SHARE-BASED PAYMENTS

Years Ended December 31,	2025	2024
	(\$)	(\$)
Stock options	(861)	(179)
Performance share units	—	(994)
Deferred share units	683	386
Total stock-based compensation expense	(178)	(787)

Stock-based compensation expense is included in selling, general and administrative expenses.

## (a) Stock Options

Years Ended December 31,	2025		2024	
Continuity of Stock Options	Options	Average Exercise Price	Options	Average Exercise Price
	(#)	(\$)	(#)	(\$)
Balance, beginning of year	3,084,990	5.11	3,251,654	5.03
Granted	1,000,000	5.70	—	—
Exercised for common shares	(33,331)	3.54	(153,331)	3.54
Forfeited	(333,332)	8.39	(13,333)	4.64
Expired	(676,668)	8.32	—	—
Balance, end of year	3,041,659	4.25	3,084,990	5.11

Years Ended December 31,	2025		2024	
Continuity of Performance Stock Options	Options	Average Exercise Price	Options	Average Exercise Price
	(#)	(\$)	(#)	(\$)
Balance, beginning of year	2,560,203	5.74	2,842,895	5.74
Granted	111,058	5.74	—	—
Forfeited	(1,026,072)	5.74	(282,692)	5.74
Balance, end of year	1,645,189	5.74	2,560,203	5.74

The Company grants performance stock options to certain eligible employees. Subject to the performance vesting condition described below, the options will vest on April 1, 2026 and expire five years after the grant date. The performance vesting condition requires achieving a three-year cumulative Adjusted EBITDA target for 2023 to 2025 as set by the Board of Directors. If this target is not met, vesting of the options (or a portion thereof) will be at the discretion of the Board of Directors. In 2024, the Company reversed all of its expenses related to performance stock options as the multi-year cumulative EBITDA target was not expected to be met. Subsequent to year end, the Board of Directors decided it will not exercise any discretion with respect to these performance stock options and these options were cancelled on March 18, 2026.

The Company grants stock options to certain eligible employees. During 2025, a 1,000,000 stock option grant was issued with a term of ten years. The grant is comprised of five tranches of 200,000 stock options each, with a specified exercise price above the grant date fair market value for each tranche ranging from \$4.00 to \$7.00. The tranches begin vesting sequentially over five years commencing on the first anniversary of the grant. Within each tranche, the options vest ratably over three years commencing with 1/3 on the first year of vesting for the applicable tranche and another 1/3 on the second and third anniversary dates of the applicable tranche's initial vesting date.

Stock options granted prior to 2025 vest equally over three years and expire five years from the date of grant.

The exercise price of all outstanding options ranges from \$3.41 to \$7.00 with a weighted average remaining life of 3.53 years. When stock options are exercised, the proceeds together with the compensation expense previously recorded in contributed surplus, are added to capital stock.

Expected volatility is estimated by considering historical average share price volatility.

(b) Share Units

Years Ended December 31,	2025	2024	2025	2024
	Performance Share Units		Deferred Share Units	
	(#)	(#)	(#)	(#)
Balance, beginning of year	<b>1,097,230</b>	1,218,384	<b>421,000</b>	379,000
Granted	<b>47,596</b>	—	<b>147,000</b>	147,000
Exercised	—	—	<b>(127,000)</b>	(105,000)
Forfeited	<b>(439,745)</b>	(121,154)	—	—
Balance, end of year	<b>705,081</b>	1,097,230	<b>441,000</b>	421,000

The Company grants deferred share units (DSUs) to its outside directors. Each DSU represents the right to receive a gross payment equal to the fair market value at the date of redemption, which date will be determined by the holder of the DSUs, subject to certain conditions. The fair market value is defined as the weighted average trading price of a common share of the Company on the Toronto Stock Exchange during the last five trading days prior to the date of redemption. The DSUs vest on or about the first anniversary of the date of grant and are settled in cash. The DSUs expire at a date determined by the Board of Directors, which shall not be later than three years following the end of the year in which the grant occurred. The fair value of the DSUs is recognized equally over the vesting period, based on the quoted market price of the Company's shares. At December 31, 2025, the liability pertaining to deferred share units was \$1,635 (December 31, 2024 – \$1,410).

Changes in the Company's obligations under the DSU grants, which arise from fluctuations in the market value of the Company's shares, are recorded as the share value changes.

The Company grants performance share units (PSUs) to certain eligible employees. The PSUs vest on April 1, 2026, subject to both market and non-market conditions: (i) satisfaction of the same Adjusted EBITDA performance condition or Board of Directors discretion as the performance stock options; and (ii) a proration factor based on the fair market value of the common shares on April 1, 2026. The PSUs shall be settled in common shares issued from treasury within 30 days of the vesting date, and in any event prior to the expiry date of the PSUs of December 15, 2026.

In 2024, the Company reversed all of its PSU expense as the multi-year cumulative EBITDA target was not expected to be met. Subsequent to year end, the Board of Directors decided it will not exercise any discretion with respect to these performance share units and the units were cancelled on March 18, 2026.

## 9. INCOME TAXES

The components of income tax expense (recovery) are:

Years Ended December 31,	2025	2024
(C\$000s)	(\$)	(\$)
Current income tax expense	<b>26,258</b>	14,096
Deferred income tax expense (recovery)	<b>(2,240)</b>	(17,581)
	<b>24,018</b>	(3,485)

During the fourth quarter of 2025, the Company derecognized its net deferred tax asset totaling \$11,531 after assessing the utilization of available tax losses based on estimates of the Company's future taxable income.

The provision for income taxes in the consolidated statements of operations varies from the amount that would be computed by applying the expected 2025 tax rate of 23.0 percent (year ended December 31, 2024 – 23.0 percent) to income before income taxes.

The main reasons for differences between the expected income tax expense (recovery) and the amount recorded are:

Years Ended December 31, <i>(C\$000s except percentages)</i>	2025 <i>(\$)</i>	2024 <i>(\$)</i>
Income before income tax from continuing operations	65,951	5,050
Income tax rate (%)	23.0	23.0
Computed expected income tax expense	15,169	1,162
Increase (decrease) in income taxes resulting from:		
Non-deductible expenses	(5,230)	7,854
Foreign tax rate and other foreign differences	10,514	5,357
Translation of foreign subsidiaries	66	(721)
Other non-income taxes	2,103	3,068
Recognition of tax losses	2,768	(22,343)
Other	(1,372)	2,138
	24,018	(3,485)

The following table summarizes the income tax effect of temporary differences that give rise to the deferred income tax asset (liability) at December 31:

As at December 31, <i>(C\$000s)</i>	2025 <i>(\$)</i>	2024 <i>(\$)</i>
Property, plant and equipment	(47,250)	(68,568)
Losses carried forward	55,738	71,154
Other	887	3,915
	9,375	6,501

Certain loss carry-forwards expire at various dates ranging from December 31, 2036 to December 31, 2045.

The movement in deferred income tax assets and liabilities during the current and prior year is as follows:

Years Ended December 31, <i>(C\$000s)</i>	2025 <i>(\$)</i>	2024 <i>(\$)</i>
Balance, beginning of year	6,501	(8,414)
Charged (credited) to the consolidated statements of operations or accumulated other comprehensive income:		
Property, plant and equipment	21,318	(92)
Losses carried forward	(15,416)	17,924
Deferred compensation payable	—	—
Other	(3,028)	(2,917)
Balance, end of year	9,375	6,501

Deferred tax assets are only recognized to the extent that it is probable that the assets can be utilized. The Company expects to have sufficient taxable income in succeeding years to fully utilize its deferred tax assets before they expire.

The Company has tax losses and attributes for which no deferred tax asset is recognized:

Years Ended December 31, (C\$000s)	2025 (\$)	2024 (\$)
Tax losses – capital	46,361	41,969
Tax losses – income	33,372	14,557
Canadian exploration expenses	5,249	4,987
Deferred compensation payable	392	334
Deferred financing and share issuance costs	1,549	(142)
Other	290	7,814

## 10. COMMITMENTS

The Company has lease commitments for premises, equipment, railcars, and vehicles under agreements requiring aggregate minimum payments over the five years following December 31, 2025, as follows:

	Right-of-Use Asset Recognized (\$)	No Right-of- Use Asset Recognized (\$)	Total (\$)
(C\$000s)			
2026	9,759	15,277	25,036
2027	6,968	2,568	9,536
2028	3,348	554	3,902
2029	288	—	288
2030	23	—	23
Thereafter	—	—	—
	20,386	18,399	38,785

The Company recognizes right-of-use assets for its leases, except for short-term leases, low value leases, leases with variable payments, or service contracts that are out of scope of IFRS 16.

The Company has obligations for the purchase of products, services and property, plant and equipment over the next two years:

(C\$000s)	(\$)
2026	18,667
2027	—
	18,667

## 11. LEASES

The Company's leasing activities comprise of buildings and various field equipment including railcars and motor vehicle leases. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any financial covenants other than the security interests in the leased assets that are held by the lessor.

The following table sets out the movement in the right-of-use assets by class of underlying asset:

Year Ended December 31, 2025	Opening Net Book Value	Additions	Disposals	Depreciation	Foreign Exchange Adjustments	Closing Net Book Value
(C\$000s)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Field equipment	14,846	6,098	(3,416)	(5,981)	(441)	11,106
Buildings	5,167	2,106	(235)	(1,803)	(94)	5,141
	20,013	8,204	(3,651)	(7,784)	(535)	16,247

Year Ended December 31, 2024	Opening Net Book Value	Additions	Disposals	Depreciation	Foreign Exchange Adjustments	Closing Net Book Value
(C\$000s)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Field equipment	15,439	8,203	(2,106)	(7,560)	870	14,846
Buildings	9,184	2,072	(58)	(6,282)	251	5,167
	24,623	10,275	(2,164)	(13,842)	1,121	20,013

The following table sets out the movement in the lease obligation:

	2025	2024
(C\$000s)	(\$)	(\$)
Balance, January 1	23,484	24,428
Additions	8,204	10,275
Disposals/retirements	(2,583)	(945)
Principal portion of payments	(9,923)	(11,564)
Foreign exchange adjustments	(669)	1,290
Balance, December 31	18,513	23,484

The following additional disclosures regarding the Company's leases are:

	2025
(C\$000s)	(\$)
Interest expense on lease obligations	1,682
Expense relating to short-term leases (included in operating and selling, general and administrative expense)	1,583
Expense relating to low value leases (included in operating and selling, general and administrative expense)	1,202
Expense relating to variable lease payments (included in operating and selling, general and administrative expense)	43,907
Total cash outflow for lease obligations	11,605

## 12. FINANCIAL INSTRUMENTS

The Company's financial instruments included in the consolidated balance sheets are comprised of cash and cash equivalents, accounts receivable, deposits, accounts payable and accrued liabilities, long-term debt and the Company's investment in its Russian subsidiary.

As described in note 4, management determined that the Company ceased control of its Russian subsidiary under IFRS and as a result, this subsidiary was deconsolidated and remains held as an investment. The Company measures its investment in its Russian subsidiary under fair value through the statement of operations.

### (a) Fair Values of Financial Assets and Liabilities

The fair values of financial instruments included in the consolidated balance sheets, except long-term debt, approximate their carrying amounts due to the short-term maturity of those instruments. The fair values of the long-term debt are described in note 6.

**(b) Credit Risk**

Substantial amounts of the Company's accounts receivable are with customers in the oil and natural gas industry and are subject to normal industry credit risks. The Company mitigates this risk through its credit policies and practices including the use of credit limits and approvals, and by monitoring the financial condition of its customers. At December 31, 2025, the Company had a loss allowance provision for accounts receivable of \$1,086 (December 31, 2024 – \$1,311).

IFRS 9 *Financial Instruments* requires an entity to estimate its expected credit loss for all trade accounts receivable even when they are not past due based on the expectation that certain receivables will be uncollectible. Based on the Company's assessment, a loan loss recovery of \$17 was recorded during the year ended December 31, 2025 due to actual customer credit losses that were subsequently collected (year ended December 31, 2024 – \$293). The expected credit loss rates for each operating segment are based on actual credit losses experienced in the past.

The loss allowance provision for trade accounts receivable as at December 31, 2025 reconciles to the opening loss allowance provision as follows:

	2025
<i>(C\$000s)</i>	<i>(\$)</i>
At January 1, 2025	1,311
Decrease in loan loss allowance recognized in statement of operations	(17)
Specific receivables deemed as uncollectible and written off	(197)
Foreign exchange adjustments	(11)
At December 31, 2025	1,086

Payment terms with customers vary by country and contract. Standard payment terms are 30 days from invoice date. The Company's aged trade and accrued accounts receivable at December 31, 2025 and 2024, excluding any impaired accounts, are as follows:

As at December 31,	2025	2024
<i>(C\$000s)</i>	<i>(\$)</i>	<i>(\$)</i>
Current	<b>183,533</b>	203,151
31 – 60 days	<b>35,126</b>	20,788
61 – 90 days	<b>10,076</b>	11,408
91+ days	<b>3,379</b>	968
Total	<b>232,114</b>	236,315

**(c) Interest Rate Risk**

The Company is exposed to cash flow risk due to fluctuating interest payments required to service any floating-rate debt. The increase or decrease in annual interest expense for each 1 percentage point change in interest rates on floating-rate debt at December 31, 2025 amounts to \$2,050 (December 31, 2024 – \$1,500).

The Company's effective interest rate for the year ended December 31, 2025 was 9.4 percent (year ended December 31, 2024 – 9.7 percent).

**(d) Liquidity Risk**

The principal sources of liquidity for the Company are operating cash flows, existing or new credit facilities, new secured or unsecured debt, and new share equity. The Company mitigates its liquidity risk by maintaining adequate banking and credit facilities, in conjunction with monitoring its forecast against actual cash flows. The Company manages its liquidity to ensure that it has sufficient funds to address its debt obligations, planned capital expenditures, and other expenses. The Company has the ability to adjust or modify its future capital spending plans based on market conditions. See note 14 for further details on the Company's capital structure.

The expected timing of cash outflows relating to financial liabilities is outlined in the table below:

<b>At December 31, 2025</b>	<b>Total</b>	<b>&lt;1 Year</b>	<b>1 – 3 Years</b>	<b>4 – 6 Years</b>	<b>7 – 9 Years</b>	<b>Thereafter</b>
<i>(C\$000s)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>
Accounts payable and accrued liabilities	<b>134,110</b>	<b>134,110</b>	—	—	—	—
Income taxes payable	<b>18,778</b>	<b>18,778</b>	—	—	—	—
Lease obligations <sup>(1)</sup>	<b>20,386</b>	<b>9,759</b>	<b>10,604</b>	<b>23</b>	—	—
Long-term debt <sup>(1)</sup>	<b>225,817</b>	<b>50,763</b>	<b>175,054</b>	—	—	—
	<b>399,091</b>	<b>213,410</b>	<b>185,658</b>	<b>23</b>	—	—

<sup>(1)</sup> Principal and interest of current and long-term portion

<b>At December 31, 2024</b>	<b>Total</b>	<b>&lt;1 Year</b>	<b>1 – 3 Years</b>	<b>4 – 6 Years</b>	<b>7 – 9 Years</b>	<b>Thereafter</b>
<i>(C\$000s)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>
Accounts payable and accrued liabilities	173,974	173,974	—	—	—	—
Income taxes payable	9,700	9,700	—	—	—	—
Lease obligations <sup>(1)</sup>	26,153	10,960	14,913	280	—	—
Long-term debt <sup>(1)</sup>	354,155	176,793	177,362	—	—	—
	563,982	371,427	192,275	280	—	—

<sup>(1)</sup> Principal and interest of current and long-term portion

#### (e) Foreign Exchange Risk

The Company is exposed to foreign exchange risk associated with foreign operations where assets, liabilities, revenue and costs are denominated in currencies other than Canadian dollars. These currencies include the U.S. dollar and Argentinean peso. The Company is also exposed to the impact of foreign currency fluctuations in its Canadian operations on purchases of products and property, plant and equipment from vendors in the United States.

The amount of this debt and related interest expressed in Canadian dollars varies with fluctuations in the US\$/Cdn\$ exchange rate. The risk is mitigated, however, by the Company's U.S. operations and related revenue streams. A change in the value of foreign currencies in the Company's financial instruments (cash, accounts receivable, accounts payable and debt) would have had the following impact on net income:

<b>At December 31, 2025</b>	<b>Impact to Net Income</b>
<i>(C\$000s)</i>	<i>(\$)</i>
1% change in value of U.S. dollar	<b>1,453</b>
20% change in value of Argentinean peso	<b>618</b>

<b>At December 31, 2024</b>	<b>Impact to Net Income</b>
<i>(C\$000s)</i>	<i>(\$)</i>
1% change in value of U.S. dollar	1,900
20% change in value of Argentinean peso	1,109

#### (f) Cash Risk

The Company faces certain restrictions on the amount and timing of cash that can be repatriated out of Argentina. While the rules are expected to continue to moderate favourably, the current stability of the Argentine peso and the reformed cash repatriation regime has enhanced the Company's flexibility to repay new and historical intercompany liabilities. During the year ended December 31, 2025, the Company repatriated approximately US\$60,000.

### 13. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in non-cash operating assets and liabilities are as follows:

Years Ended December 31, (C\$000s)	2025 (\$)	2024 (\$)
Accounts receivable	8,760	(7,921)
Inventory	38,723	(22,491)
Prepaid expenses and deposits	16,369	(3,652)
Accounts payable and accrued liabilities	(37,346)	10,161
Income taxes recoverable	9,078	10,494
	<b>35,584</b>	<b>(13,409)</b>
Income taxes paid	<b>(17,180)</b>	<b>(3,603)</b>

Purchase of property, plant and equipment is comprised of:

Years Ended December 31, (C\$000s)	2025 (\$)	2024 (\$)
Property, plant and equipment additions	(132,525)	(170,289)
Change in liabilities related to the purchase of property, plant and equipment	3,490	(13,550)
	<b>(129,035)</b>	<b>(183,839)</b>

### 14. CAPITAL STRUCTURE

The Company's capital structure is comprised of shareholders' equity and debt. The Company's objectives in managing capital are to maintain flexibility so as to preserve its access to capital markets and its ability to meet its financial obligations.

The Company manages its capital structure and makes adjustments in light of changing market conditions and new opportunities, while remaining cognizant of the cyclical nature of the oilfield services sector. To maintain or adjust its capital structure, the Company may revise its capital spending, issue new shares or new debt or repay existing debt.

The Company monitors its capital structure and financing requirements using, amongst other parameters, the ratio of net debt to Adjusted EBITDA. Adjusted EBITDA for this purpose is calculated on a 12-month trailing basis and is defined as follows:

For the Twelve Months Ended December 31, (C\$000s)	2025 (\$)	2024 (\$)
Net income from continuing operations	41,933	8,535
Adjusted for the following:		
Depreciation	124,787	135,886
Foreign exchange gains	(12,995)	(4,145)
(Gain) loss on disposal of property, plant and equipment	(1,240)	863
Write-off of property, plant and equipment	225	12,690
Impairment of inventory	8,492	—
Restructuring charges	10,935	10,617
Stock-based compensation	(861)	(1,173)
Interest, net	29,411	31,206
Income taxes	24,018	(3,485)
Adjusted EBITDA from continuing operations	<b>224,705</b>	<b>190,994</b>

Net debt for this purpose is calculated as follows:

As at December 31,	2025	2024
(C\$000s)	(\$)	(\$)
Long-term debt, net of debt issuance costs and debt discount	<b>203,425</b>	320,908
Lease obligations	<b>18,513</b>	23,484
Deduct: cash and cash equivalents	<b>(6,664)</b>	(44,045)
<b>Net debt</b>	<b>215,274</b>	300,347

The ratio of net debt to Adjusted EBITDA does not have a standardized meaning under IFRS and may not be comparable to similar measures used by other companies.

At December 31, 2025, the net debt to Adjusted EBITDA ratio was 0.96:1 (December 31, 2024 – 1.57:1) calculated on a 12-month trailing basis as follows:

For the Twelve Months Ended December 31,	2025	2024
(C\$000s, except ratio)	(\$)	(\$)
Net debt	<b>215,274</b>	300,347
Adjusted EBITDA	<b>224,705</b>	190,994
<b>Net debt to Adjusted EBITDA ratio</b>	<b>0.96</b>	1.57

The Company is subject to certain financial covenants relating to leverage and the generation of cash flow in respect of its available credit facilities under the credit agreement. These covenants are monitored on a monthly basis. As shown in the table below, the Company was in compliance with its financial covenants associated with its credit facilities at December 31, 2025.

As at December 31,	Covenant	Actual
	2025	2025
Interest Coverage Ratio not to fall below <sup>(1)</sup>	2.75x	<b>5.46x</b>
Funded Debt to Bank EBITDA not to exceed <sup>(2)(3)</sup>	3.00x	<b>1.30x</b>
Total Debt to Bank EBITDA not to exceed <sup>(2)(3)</sup>	4.00x	<b>1.30x</b>

<sup>(1)</sup> Interest Coverage is defined as the ratio of Bank EBITDA for the trailing twelve months to net interest expense as reported under IFRS.

<sup>(2)</sup> Total Debt is defined as bank loans and long-term debt (before unamortized debt issuance costs and debt discount) plus outstanding letters of credit, excluding lease obligations. Funded Debt is defined as Total Debt less certain qualifying subordinated shareholder debt, of which none is outstanding. For the purposes of the Funded Debt to Bank EBITDA ratio and the Total Debt to Bank EBITDA ratio, the amount of Total Debt or Funded Debt, as applicable, is reduced by the amount of the Company's cash held on hand with the lenders and certain accounts of its U.S. operating subsidiary.

<sup>(3)</sup> Bank EBITDA is defined in note 21.

## 15. RELATED-PARTY TRANSACTIONS

The Company leases certain premises from a company controlled by Ronald P. Mathison. The rent charged for these premises during the year ended December 31, 2025 was \$957 (year ended December 31, 2024 – \$957), as measured at the exchange amount, which is based on market rates at the time the lease arrangements were made and is under the normal course of business.

## 16. REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company derives revenue from the provision of goods and services for the following major service lines and geographical regions:

	North America	Argentina	Continuing Operations
<i>(C\$000s)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>
<b>Year Ended December 31, 2025</b>			
Fracturing	920,459	248,078	1,168,537
Coiled tubing	32,715	89,375	122,090
Cementing	—	46,730	46,730
Wireline	—	50,576	50,576
	<b>953,174</b>	<b>434,759</b>	<b>1,387,933</b>
	North America	Argentina	Continuing Operations
<i>(C\$000s)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>
<b>Year Ended December 31, 2024</b>			
Fracturing	1,127,186	223,599	1,350,785
Coiled tubing	34,402	75,741	110,143
Cementing	—	51,318	51,318
Wireline	—	55,236	55,236
	<b>1,161,588</b>	<b>405,894</b>	<b>1,567,482</b>

The Company recognizes all of its revenue from contracts with customers and no other sources (such as lease rental income).

The Company does not incur material costs to obtain contracts with customers and consequently, does not recognize any contract assets. The Company does not have any contract liabilities associated with its customer contracts.

The Company's customer base consists of a diverse and balanced mix of oil and natural gas exploration and production companies, ranging from large multi-national publicly traded companies to small private companies. Notwithstanding the Company's broad customer base, Calfrac had five significant customers that collectively accounted for approximately 59 percent of the Company's revenue for the year ended December 31, 2025 (year ended December 31, 2024 – five significant customers for approximately 52 percent) and, of such customers, two customers accounted for approximately 19 and 18 percent, respectively, of the Company's revenue for the year ended December 31, 2025 (year ended December 31, 2024 – 16 percent).

## 17. PRESENTATION OF EXPENSES

The Company presents its expenses on the consolidated statements of operations using the function of expense method whereby expenses are classified according to their function within the Company. This method was selected as it is more closely aligned with the Company's business structure. The Company's functions under IFRS are as follows:

- operations (cost of sales); and
- selling, general and administrative.

Cost of sales included direct operating costs (including product costs, direct labour and overhead costs) and depreciation on assets related to operations.

Years Ended December 31,	2025	2024
(C\$000s)	(\$)	(\$)
Product costs	<b>313,353</b>	418,531
Personnel costs	<b>362,104</b>	402,091
Depreciation on property, plant and equipment	<b>117,003</b>	122,044
Depreciation on right-of-use assets	<b>7,784</b>	13,842
Other operating costs <sup>(1)</sup>	<b>436,441</b>	500,486
Cost of sales from continuing operations	<b>1,236,685</b>	1,456,994

<sup>(1)</sup> Other operating costs consists of equipment repairs, subcontractor costs, fleet operating costs, field costs, occupancy costs and other district overhead costs.

Interest, net consists of the following:

Years Ended December 31,	2025	2024
(C\$000s)	(\$)	(\$)
Interest expense	<b>32,493</b>	36,418
Interest income	<b>(3,082)</b>	(5,212)
Interest, net	<b>29,411</b>	31,206

## 18. EMPLOYEE BENEFITS EXPENSE

Employee benefits include all forms of consideration given by the Company in exchange for services rendered by employees.

Years Ended December 31,	2025	2024
(C\$000s)	(\$)	(\$)
Salaries and short-term employee benefits	<b>362,366</b>	399,951
Post-employment benefits (group retirement savings plan)	<b>6,138</b>	8,090
Share-based payments	<b>(178)</b>	(787)
Termination benefits	<b>10,789</b>	11,821
	<b>379,115</b>	419,075

## 19. COMPENSATION OF KEY MANAGEMENT

Key management is defined as the Company's Board of Directors, Chief Executive Officer, and Chief Financial Officer.

Compensation awarded to key management comprised:

Years Ended December 31,	2025	2024
(C\$000s)	(\$)	(\$)
Salaries, fees and short-term benefits	<b>1,626</b>	1,799
Post-employment benefits (group retirement savings plan)	<b>27</b>	46
Share-based payments	<b>(242)</b>	397
	<b>1,411</b>	2,242

During 2025, the Chief Executive Officer position was vacant from March 13, 2025 through December 31, 2025. On February 4, 2026, Mr. Tyler Dahlseide was appointed as Chief Executive Officer of the Company.

In the event of termination, the Chief Financial Officer is entitled to one year of annual compensation (inclusive of target bonus entitlement), and two years of annual compensation in the event of termination resulting from a change of control. The Chief Executive Officer is entitled to a payment of \$200, including in the event of termination resulting from a change of control.

## 20. CONTINGENCIES

### GREEK LITIGATION

As a result of the acquisition and amalgamation with Denison in 2004, the Company assumed certain legal obligations relating to Denison's Greek operations.

In 1998, North Aegean Petroleum Company E.P.E. ("NAPC"), a Greek subsidiary of a consortium in which Denison participated (and which is now a majority-owned subsidiary of the Company), terminated employees in Greece as a result of the cessation of its oil and natural gas operations in that country. Several groups of former employees filed claims against NAPC and the consortium alleging that their termination was invalid and that their severance pay was improperly determined.

In 1999, the largest group of plaintiffs received a ruling from the Athens Court of First Instance that their termination was invalid and that salaries in arrears amounting to approximately \$11,015 (6,846 euros) plus interest were due to the former employees. This decision was appealed to the Athens Court of Appeal, which allowed the appeal in 2001 and annulled the above-mentioned decision of the Athens Court of First Instance. Said group of former employees filed an appeal with the Supreme Court of Greece, which was heard on May 29, 2007. The Supreme Court of Greece allowed the appeal and sent the matter back to the Athens Court of Appeal for the consideration of the quantum of awardable salaries in arrears. On June 3, 2008, the Athens Court of Appeal rejected NAPC's appeal and reinstated the award of the Athens Court of First Instance, which decision was further appealed to the Supreme Court of Greece. The matter was heard on April 20, 2010 and a decision rejecting such appeal was rendered in June 2010. As a result of Denison's participation in the consortium that was named in the lawsuit, the Company was served with three separate payment orders, one on March 24, 2015 and two others on December 29, 2015. The Company was also served with an enforcement order on November 23, 2015.

Provisional orders granting a temporary suspension of any enforcement proceedings have been granted in respect of all of these orders on the basis they were improperly issued and are barred from a statute of limitations perspective. Hearings in respect of each of the orders have been held, and in each case, decisions were rendered accepting the Company's position. All of these decisions were appealed, but the favorable judgments have all been confirmed in the Company's favor. The plaintiffs have filed petitions for cassation (a form of appeal in Greece) against three of the appeal judgments, which are scheduled to be heard at the Supreme Court of Greece on May 19, 2026. The deadline for the plaintiffs to file a petition for cassation in respect of the suspension of the November 23, 2015 enforcement order has lapsed.

NAPC is also the subject of a claim for approximately \$3,542 (2,201 euros) plus associated penalties and interest from the Greek social security agency for social security obligations associated with the salaries in arrears that are the subject of the above-mentioned decision. That claim was upheld by judgment No. 99/2021 of the Administrative Court of Appeal in Komotini and a petition for cassation has been filed by NAPC partially challenging the aforementioned judgment and its quantum. The petition for cassation was heard at the Supreme Administrative Court hearing on May 5, 2025, and the Court's decision is pending.

The maximum aggregate interest and penalties payable under the claims noted above amounted to \$36,271 (22,544 euros) as at December 31, 2025.

Management is of the view that it is improbable there will be a material financial impact to the Company as a result of these claims. Consequently, no provision has been recorded in these consolidated financial statements.

## 21. SEGMENTED INFORMATION

The Company's activities in its continuing operations 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.

The business segments presented reflect the Company's management structure and how management reviews its business performance. The Company evaluates the performance of its operating segments primarily based on Adjusted EBITDA, as defined below.

The following tables present select financial items that management deems are material items to be disclosed at a segment level:

<i>(C\$000s)</i>	North America	Argentina	Corporate	Continuing Operations
	(\$)	(\$)	(\$)	(\$)
<b>Year Ended December 31, 2025</b>				
Revenue <sup>(1)</sup>	953,174	434,759	—	1,387,933
Product costs	290,586	22,767	—	313,353
Personnel costs	282,926	96,625	13,447	392,998
Depreciation on property, plant and equipment	105,528	11,475	—	117,003
Depreciation on right-of-use assets	7,553	231	—	7,784
Stock-based compensation	—		(178)	(178)
Other operating and SG&A expenses	278,693	183,571	2,668	464,932
Adjusted EBITDA	104,610	136,682	(16,587)	224,705
Segmented assets <sup>(2)</sup>	760,580	286,619	—	1,047,199
Capital expenditures	56,790	75,735	—	132,525
<b>Year Ended December 31, 2024</b>				
Revenue <sup>(1)</sup>	1,161,588	405,894	—	1,567,482
Product costs	392,149	26,382	—	418,531
Personnel costs	315,750	108,155	13,334	437,239
Depreciation on property, plant and equipment	116,212	5,832	—	122,044
Depreciation on right-of-use assets	13,513	329	—	13,842
Stock-based compensation	—	—	(787)	(787)
Other operating and SG&A expenses	332,806	195,175	2,968	530,949
Adjusted EBITDA	123,764	83,858	(16,628)	190,994
Segmented assets <sup>(2)</sup>	911,777	277,728	—	1,189,505
Capital expenditures	135,232	35,057	—	170,289

<sup>(1)</sup> Revenue generated in the United States for the year ended December 31, 2025 and 2024 was 37% and 42% of the total amount of revenue from continuing operations, respectively.

<sup>(2)</sup> Assets in the United States as at December 31, 2025 and 2024 was 42% and 48% of the total amount of assets from continuing operations, respectively.

Adjusted EBITDA is defined in the Company's credit facilities for covenant purposes as 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. Adjusted EBITDA is presented because it is used in the calculation of the Company's bank covenants. Adjusted EBITDA for the period was calculated as follows:

Years Ended December 31, (C\$000s)	2025 (\$)	2024 (\$)
Net income from continuing operations	<b>41,933</b>	8,535
Add back (deduct):		
Depreciation	<b>124,787</b>	135,886
Foreign exchange gains	<b>(12,995)</b>	(4,145)
(Gain) loss on disposal of property, plant and equipment	<b>(1,240)</b>	863
Write-off of property, plant and equipment	<b>225</b>	12,690
Impairment of inventory	<b>8,492</b>	—
Restructuring charges	<b>10,935</b>	10,617
Stock-based compensation	<b>(861)</b>	(1,173)
Interest, net	<b>29,411</b>	31,206
Income taxes	<b>24,018</b>	(3,485)
Adjusted EBITDA from continuing operations	<b>224,705</b>	190,994
Less: IFRS 16 lease payments	<b>(11,605)</b>	(13,172)
Less: Bank EBITDA adjustments (note 6)	<b>(52,456)</b>	(51,985)
Bank EBITDA for covenant purposes	<b>160,644</b>	125,837

## HISTORICAL REVIEW - CONTINUING OPERATIONS

	2025	2024	2023	2022	2021
<i>(C\$000s, except per share amounts)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>
<i>(unaudited)</i>			<i>Revised <sup>(1)</sup></i>	<i>Revised <sup>(1)</sup></i>	<i>Revised <sup>(1)</sup></i>
<b>FINANCIAL RESULTS</b>					
Revenue	<b>1,387,933</b>	1,567,482	1,864,281	1,499,220	880,249
Adjusted EBITDA <sup>(2)</sup>	<b>224,705</b>	190,994	325,456	233,741	51,577
Net income (loss)	<b>41,933</b>	8,535	197,569	35,303	(94,731)
Per share - basic <sup>(3)</sup>	<b>0.48</b>	0.10	2.38	0.81	(2.47)
Per share - diluted <sup>(3)</sup>	<b>0.48</b>	0.10	2.37	0.73	(2.47)
Cash flows provided by (used in) operating activities	<b>195,422</b>	128,495	270,374	115,476	(15,337)
Capital expenditures	<b>132,525</b>	170,289	165,414	87,940	66,575
<b>FINANCIAL POSITION, END OF PERIOD</b>					
Current Assets	<b>357,387</b>	467,111	423,935	368,430	307,533
Total Assets	<b>1,047,199</b>	1,234,840	1,126,197	995,753	892,961
Working Capital <sup>(4)</sup>	<b>189,304</b>	229,856	202,252	175,081	128,048
Long-Term Debt	<b>203,425</b>	320,908	250,777	329,186	388,479
Total Equity	<b>664,279</b>	653,330	615,903	422,972	328,840
<b>COMMON SHARE DATA</b>					
Common shares outstanding (000s), end of period	<b>98,914</b>	85,869	85,716	80,734	37,701
Weighted average (diluted)	<b>88,001</b>	87,839	83,366	48,666	84,450
<b>OPERATING, END OF PERIOD</b>					
Active pumping horsepower (000s)	<b>1,032</b>	1,155	1,173	1,112	943
Idle pumping horsepower (000s)	<b>189</b>	—	72	117	337
Total pumping horsepower (000s)	<b>1,221</b>	1,155	1,245	1,229	1,280
Active coiled tubing units (#)	<b>10</b>	12	11	11	13
Idle coiled tubing units (#)	<b>1</b>	—	1	5	7
Total coiled tubing units (#)	<b>11</b>	12	12	16	20
Active cementing units (#)	<b>9</b>	10	10	11	10
Idle cementing units (#)	<b>—</b>	1	1	1	5
Total cementing units (#)	<b>9</b>	11	11	12	15

<sup>(1)</sup> All comparative amounts exclude the impact from the Company's Russia operations, which have been classified as held for sale and presented as discontinued operations. In addition, Adjusted EBITDA reflects a change in definition and excludes all foreign exchange gains and losses.

<sup>(2)</sup> Refer to "Non-GAAP Measures" on page 19 for further information.

<sup>(3)</sup> Basic and diluted shares outstanding have been restated to show the comparative impact of the rights offering that was completed in December 2025.

<sup>(4)</sup> Excludes cash and cash equivalents and the current portion of long-term debt.

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Ronald P. Mathison

Alberta, Canada

- Chairman

Douglas R. Ramsay

Alberta, Canada

- Vice Chairman
- Chair of the Health, Safety and Environment Committee

George S. Armoyan

Quebec, Canada

- Compensation, Governance and Nominating Committee

Holly A. Benson

Alberta, Canada

- Chair of the Audit Committee
- Health, Safety and Environment Committee

Anuroop Duggal

Ontario, Canada

- Audit Committee
- Chair of the Compensation, Governance and Nominating Committee

Chetan R. Mehta

Maryland, United States

- Audit Committee
- Health, Safety and Environment Committee

Charles Pellerin

Quebec, Canada

- Lead Director
- Audit Committee
- Compensation, Governance and Nominating Committee

### OFFICERS

Tyler S. Dahlseide

Chief Executive Officer

Michael D. Olinek

Chief Financial Officer

Adrian Martinez

Director General, Argentina Division

Gordon T. Milgate

President, Canadian Operations

Mark R. Ellingson

Vice President, Sales & Marketing, United States

Jon Koop

Vice President, Human Resources

Brent W. Merchant

Vice President, Sales & Marketing, Canada

Alif H. Noorani

Vice President, Finance

Jeffrey I. Ellis

General Counsel and Corporate Secretary

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### AUDITORS

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Calgary, Alberta

### BANKERS

Royal Bank of Canada

ATB Financial

The Toronto-Dominion Bank

National Bank of Canada

Federation Des Caisses Desjardins Du

Quebec

### LEGAL COUNSEL

Bennett Jones LLP

Calgary, Alberta

### STOCK EXCHANGE LISTINGS

Toronto Stock Exchange

Common Share Trading Symbol: CFW

### REGISTRAR & TRANSFER AGENT

For information concerning lost share certificates and estate transfers, or for a change in share registration or address, please contact the transfer agent and registrar:

*Odyssey Trust Company*

*Stock Exchange Tower, 1230 - 300 5th Avenue SW*

*Calgary, AB T2P 3C4*

*1-888-290-1175*

*clients@odysseytrust.com*

## FACILITIES & OPERATING BASES CONTINUING OPERATIONS

### CANADA

#### ALBERTA

*Calgary - Corporate Head Office*

*Calgary - Technology Centre*

*Grande Prairie*

*Red Deer*

### UNITED STATES

#### COLORADO

*Denver - Regional Office*

*Grand Junction*

#### NORTH DAKOTA

*Williston*

#### PENNSYLVANIA

*Smithfield*

#### UTAH

*Vernal*

#### WYOMING

*Gillette*

### ARGENTINA

*Buenos Aires - Regional Office*

*Comodoro Rivadavia*

*Neuquén*



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