



Q4 2024 MANAGEMENT'S DISCUSSION & ANALYSIS CALFRAC WELL SERVICES



Three Months and Year Ended December 31, 2024

DO IT SAFELY • DO IT RIGHT • DO IT PROFITABLY

TABLE OF CONTENTS

Management’s Discussion and Analysis	2
Calfrac’s Business	2
Year-To-Date Financial Overview - Continuing Operations	3
Liquidity and Capital Resources	7
Summary of Quarterly Results	9
Quarterly Financial Overview - Continuing Operations	12
Business Update and Outlook	15
Assets Held For Sale and Discontinued Operations	16
Non-GAAP Measures	17
Business Risks	23
Forward-Looking Statements	23

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 12, 2025 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, 2024 and 2023. It should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2024, as well as the audited consolidated financial statements and MD&A for the year ended December 31, 2023.

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 17.

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 other well stimulation services in Argentina.

The Company's reportable business segments during the three months ended December 31, 2024, were as follows:

Segment	Active (000's hhp)	Idle (000's hhp)	Total (000's hhp)	Crewed Fleets (#)
North America	1,018	—	1,018	13
Argentina	137	—	137	4
Total	1,155	—	1,155	17

- 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. Calfrac also provides fracturing services in the United States to natural gas-focused customers operating in the Appalachia Basin in Pennsylvania, Ohio and West Virginia. The Company provides fracturing and coiled tubing services in Canada to a diverse group of 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, 2024, Calfrac's North America segment had 13 fracturing fleets utilizing combined active and total horsepower of approximately 1.0 million. The Company also had six active coiled tubing fleets operating in Canada.
- The Argentinean segment provides fracturing, coiled tubing and cementing services to oil and natural gas companies operating in the Neuquén, Las Heras, and Comodoro Rivadavia regions. The Company operates the equivalent of four fracturing spreads varying in size utilizing approximately 137,000 active and total horsepower, 10 active cementing units and six active coiled tubing units, including one offshore coiled tubing unit, in its Argentinean segment at December 31, 2024. The Company also had one idle cementing unit in Argentina.
- At December 31, 2024, Calfrac's continuing operations had 17 fracturing fleets utilizing combined active horsepower of approximately 1.2 million. The Company had 66 Tier IV pumps and operated the equivalent of four Tier IV dynamic gas blending ("DGB") fleets in North America at the end of the fourth quarter.

HIGHLIGHTS – CONTINUING OPERATIONS

Years Ended December 31,	2024	2023	Change
<i>(C\$000s, except per share amounts)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(%)</i>
<i>(unaudited)</i>			
Revenue	1,567,482	1,864,281	(16)
Adjusted EBITDA ⁽¹⁾	190,994	325,456	(41)
Consolidated cash flows provided by operating activities	127,184	281,634	(55)
Capital expenditures	170,289	165,414	3
Net income	8,535	197,569	(96)
Per share – basic	0.10	2.43	(96)
Per share – diluted	0.10	2.24	(96)
Cash and cash equivalents	44,045	34,140	29
Working capital, end of year ⁽²⁾	273,901	236,392	16
Total assets, end of year	1,234,840	1,126,197	10
Long-term debt, end of year	320,908	250,777	28
Net debt ⁽¹⁾⁽³⁾	300,347	241,065	25
Total consolidated equity, end of year	653,330	615,903	6

⁽¹⁾ Refer to “Non-GAAP Measures” on page 17 for further information.

⁽²⁾ Working capital excludes the current portion of long-term debt of \$150.0 million.

⁽³⁾ Refer to note 14 of the consolidated annual financial statements for further information.

2024 OVERVIEW

In 2024, the Company:

- generated revenue of \$1.6 billion, a decrease of 16 percent from 2023 resulting primarily from lower activity and pricing in North America, offset partially by higher activity in Argentina;
- reported Adjusted EBITDA of \$191.0 million versus \$325.5 million in 2023, mainly due to a decrease in utilization and pricing in North America, offset partially by higher utilization in Argentina;
- generated consolidated cash flow from operating activities of \$127.2 million, which was net of \$28.6 million of interest paid and cash used for working capital purposes of \$42.8 million, compared to \$281.6 million in 2023, which was net of \$21.1 million of interest paid and cash used for working capital purposes of \$35.2 million;
- reported net income from continuing operations of \$8.5 million or \$0.10 per share diluted, which included a write-off of \$12.7 million related to obsolete equipment in the United States, compared to net income of \$197.6 million or \$2.24 per share diluted in 2023, which included an impairment recovery of \$41.6 million related to an improved business outlook in Canada;
- idled two fracturing fleets in North America in response to lower activity due to the impact of lower natural gas prices;
- sold non-core assets in North America for net proceeds of \$14.7 million;
- incurred capital expenditures of \$170.3 million, which included \$74.9 million related to the Tier IV fleet modernization program in North America, \$30.1 million of expansion capital in Argentina and \$13.2 million in Canada to upgrade its fleet of sand transportation equipment; and
- reported year-end working capital of \$273.9 million and a cash balance of \$44.0 million.

FINANCIAL OVERVIEW – CONTINUING OPERATIONS

YEARS ENDED DECEMBER 31, 2024 VERSUS 2023

NORTH AMERICA

Years Ended December 31,	2024	2023	Change
<i>(C\$000s, except operational and exchange rate information)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(%)</i>
<i>(unaudited)</i>			
Revenue	1,161,588	1,522,348	(24)
Adjusted EBITDA ⁽¹⁾	123,764	282,863	(56)
Adjusted EBITDA (%) ⁽¹⁾	10.7	18.6	(42)
Fracturing revenue per job (\$)	35,481	42,329	(16)
Number of fracturing jobs	31,766	34,815	(9)
Active pumping horsepower, end of period (000s)	1,018	1,034	(2)
Idle pumping horsepower, end of period (000s)	—	72	(100)
Total pumping horsepower, end of period (000s)	1,018	1,106	(8)
Active coiled tubing units, end of period (#)	6	6	—
Idle coiled tubing units, end of period (#)	—	1	(100)
Total coiled tubing units, end of period (#)	6	7	(14)
US\$/C\$ average exchange rate ⁽²⁾	1.3698	1.3497	1

⁽¹⁾ Refer to "Non-GAAP Measures" on page 17 for further information.

⁽²⁾ Source: Bank of Canada.

REVENUE

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

ADJUSTED EBITDA

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

ARGENTINA

Years Ended December 31,	2024	2023	Change
<i>(C\$000s, except operational and exchange rate information)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(%)</i>
<i>(unaudited)</i>			
Revenue	405,894	341,933	19
Adjusted EBITDA ⁽¹⁾	83,858	63,569	32
Adjusted EBITDA (%) ⁽¹⁾	20.7	18.6	11
Fracturing revenue per job (\$)	87,309	80,989	8
Number of fracturing jobs	2,561	2,481	3
Active pumping horsepower, end of period (000s)	137	139	(1)
Idle pumping horsepower, end of period (000s)	—	—	—
Total pumping horsepower, end of period (000s)	137	139	(1)
Active coiled tubing units, end of period (#)	6	5	20
Idle coiled tubing units, end of period (#)	—	—	—
Total coiled tubing units, end of period (#)	6	5	20
Active cementing units, end of period (#)	10	10	—
Idle cementing units, end of period (#)	1	1	—
Total cementing units, end of period (#)	11	11	—
US\$/C\$ average exchange rate ⁽²⁾	1.3698	1.3497	1

⁽¹⁾ Refer to “Non-GAAP Measures” on page 17 for further information.

⁽²⁾ Source: Bank of Canada.

REVENUE

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

ADJUSTED EBITDA

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

CORPORATE

Years Ended December 31,	2024	2023	Change
(C\$000s)	(\$)	(\$)	(%)
(unaudited)			
Adjusted EBITDA ⁽¹⁾	(16,628)	(20,976)	(21)
% of revenue from continuing operations	(1.1)	(1.1)	—

⁽¹⁾ Refer to "Non-GAAP Measures" on page 17 for further information.

ADJUSTED EBITDA

Corporate expenses from continuing operations were \$16.6 million during 2024 versus \$21.0 million in 2023. The \$4.4 million decrease in corporate expenses was primarily due to a reduction in financial performance-based compensation during 2024 as compared to 2023.

DEPRECIATION

Depreciation expense from continuing operations increased by \$19.3 million from \$116.6 million in 2023 to \$135.9 million in 2024 primarily due to the replacement of certain key components related to its fracturing operations in North America prior to the end of their estimated useful lives, which resulted in \$4.5 million of additional depreciation expense being recorded in 2024. In addition, the Company revised its salvage value estimate for certain of its fracturing equipment components to align with current operational experience. This resulted in a one-time impact to depreciation expense of \$12.2 million related to fully depreciated components. The remaining increase was due to the higher asset base resulting from the Company's fleet modernization program.

WRITE-OFF OF PROPERTY, PLANT & EQUIPMENT

During 2024, the Company carried out a comprehensive review of its property, plant and equipment and identified assets that were permanently idle or obsolete, and therefore, no longer able to generate cash inflows. This review resulted in the write-off of \$12.7 million related to specific U.S. fracturing assets.

FOREIGN EXCHANGE GAINS AND LOSSES

The Company recorded a foreign exchange gain from continuing operations of \$4.1 million in 2024 versus a loss of \$22.4 million in 2023. Foreign exchange gains and losses arise primarily from the translation of net monetary assets or liabilities that were held in U.S. dollars in Canada and net monetary assets or liabilities that were held in pesos in Argentina. The Company's foreign exchange gain during 2024 was mainly due to the revaluation of net monetary assets that were held in U.S. dollars in Canada as the Canadian dollar weakened relative to the U.S. dollar, offset partially by net monetary assets that were held in pesos in Argentina as the peso devalued against the U.S. dollar during the year. This gain also included a net gain on foreign currency forward contracts of \$0.9 million.

INTEREST

The Company's interest expense from continuing operations of \$31.2 million in 2024 was \$1.5 million higher than in 2023. The Company incurred higher interest expense on its revolving credit facilities as a result of higher average borrowings during the year, offset slightly by higher interest income generated from excess cash held in Argentina. The Company's reported interest expense included \$5.2 million of interest income generated in Argentina versus \$5.0 million of interest income in the comparable year of 2023.

INCOME TAXES

The Company recorded an income tax recovery from continuing operations of \$3.5 million during 2024 compared to an expense of \$4.1 million in 2023. The Company had current tax expense of \$14.1 million which was primarily related to Argentina. The Company recorded a deferred tax recovery of approximately \$17.6 million in the United States due to the loss incurred during the year.

LIQUIDITY AND CAPITAL RESOURCES – CONSOLIDATED

	Years Ended Dec. 31,	
	2024	2023
(C\$000s)		
(unaudited)	(\$)	(\$)
Cash provided by (used in):		
Operating activities	127,184	281,634
Financing activities	43,944	(84,132)
Investing activities	(169,653)	(144,770)
Effect of exchange rate changes on cash and cash equivalents	4,111	(25,935)
Increase in cash and cash equivalents ⁽¹⁾	5,586	26,797

⁽¹⁾ All amounts in the table above include the results from the Company's Russia operations.

OPERATING ACTIVITIES

The Company's cash provided by operating activities for the year ended December 31, 2024 was \$127.2 million versus \$281.6 million in 2023. The decrease in cash provided by operations was primarily due to lower operating results in North America combined with the Company using \$42.8 million to fund the Company's working capital during the year versus \$35.2 million in 2023. The greater use of funds for working capital was due to the geographic mix and timing of the Company's revenue during the year with a greater proportion generated in Argentina, which has longer lead times and collection terms than North America.

FINANCING ACTIVITIES

Net cash provided by financing activities for the year ended December 31, 2024 was \$43.9 million compared to a use of cash totalling \$84.1 million in 2023. During the year, the Company borrowed \$55.0 million on its credit facility, received \$0.5 million from the issuance of common shares upon exercise of stock options, and paid lease principal payments of \$11.6 million.

As at December 31, 2024, the Company had credit facilities with a syndicate of lenders comprised of a \$215.0 million syndicated facility and a \$35.0 million operating facility. The maturity date of the Credit Facilities is the earlier of: (a) July 1, 2026; or (b) six months prior to the maturity of the Second Lien Notes (see Note 6 of the annual consolidated financial statements), which mature on March 15, 2026.

At December 31, 2024, the Company reclassified the draw on its revolving credit facilities from long-term debt to current liabilities to reflect the six-month springing maturity provision under its credit facility agreement. Subsequent to year end, an amendment to the revolving credit facility agreement was executed with the Company's lending syndicate to shorten the springing maturity date to two months prior to the maturity date of the Second Lien Notes or January 15, 2026.

The Second Lien Notes indenture restricts the ability to incur additional indebtedness, although there are a number of exceptions to this prohibition, including the incurrence of additional debt under the credit facilities up to the greater of \$375.0 million or 30 percent of the Company's consolidated tangible assets plus a general basket equal to the greater of 4 percent of the consolidated tangible assets and US\$60.0 million.

On June 25, 2024, the Company amended and restated its revolving credit facility agreement, a copy of which is available on SEDAR+, in anticipation of the benchmark rate reforms that occurred on June 28, 2024. The Canadian Dollar Offered Rate (CDOR) ceased publication on June 28, 2024 and was replaced by the Canadian Overnight Repo Rate Average (CORRA). In addition, the amendments included a change to the Company's Adjusted EBITDA definition for financial covenant calculation purposes ("Bank EBITDA"). The revised definition of Bank EBITDA restricts Adjusted EBITDA derived from the Company's Argentina operations to a maximum of 25 percent of total Adjusted EBITDA from continuing operations. The amendments also included the additional requirement that the Company maintain a minimum of \$750.0 million of net tangible assets in North America or, as previously applied, have 75 percent of its net tangible assets from continuing operations located in North America.

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.

At December 31, 2024, the Company had used \$2.9 million of its credit facilities for letters of credit and had \$150.0 million of borrowings under its credit facilities, leaving \$97.1 million in available liquidity.

The Company is subject to certain financial covenants relating to leverage and the generation of cash flow in respect of its operating and revolving credit facilities. 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, 2024.

	Covenant	Actual
	2024	2024
As at December 31,		
Interest coverage ratio not to fall below ⁽¹⁾	2.75x	4.03x
Funded Debt to Bank EBITDA not to exceed ⁽²⁾⁽³⁾	3.00x	1.03x
Total Debt to Bank EBITDA not to exceed ⁽²⁾⁽³⁾	4.00x	2.40x

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

⁽²⁾ Funded Debt is defined as Total Debt excluding all outstanding Second Lien Notes and lease obligations. Total Debt includes bank loans and long-term debt (before unamortized debt issuance costs and debt discount) plus outstanding letters of credit. 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.

⁽³⁾ Bank EBITDA is defined in non-GAAP measures section on page 17.

INVESTING ACTIVITIES

Calfrac's consolidated net cash used in investing activities was \$169.7 million during the year ended December 31, 2024, which included \$74.9 million related to the Company's fracturing fleet modernization program in North America (2023 – \$97.8 million), approximately \$30.1 million of expansion capital in Argentina and \$13.2 million in Canada to upgrade its fleet of sand transportation equipment. Capital expenditures from continuing operations were \$170.3 million for the year ended December 31, 2024 versus \$165.4 million in 2023.

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

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, 2024 was a gain of \$4.1 million versus a loss of \$25.9 million in 2023. The gain 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.

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

At December 31, 2024, the Company had a cash position of \$44.0 million from continuing operations, of which approximately 40 percent was held in Argentina. The Company faces certain restrictions on the amount and timing of cash that can be repatriated out of Argentina. These rules have moderated significantly since the fourth quarter of 2023 and have allowed for the repayment of new intercompany liabilities on an accelerated timeline. As the Argentinean economy and operations continue to improve, the Company will look to repatriate excess funds generated in Argentina, to the extent allowed, in order to reduce its debt position. The Argentina cash balance was primarily comprised of an investment in Argentinean government bonds (BOPREAL Bonds) that were recorded as a short-term investment due to the high degree of liquidity of the bonds. These bonds allow for the repatriation of this amount in cash to Canada which began in July 2024 over a 12-month period of which the first six payments have been received. The Company's cash balance excludes all cash

held in Russia (see note 4 of the annual consolidated financial statements). The Company is not expecting to repatriate any material cash amounts from Russia other than through any proceeds received through a sale of its Russian business.

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 and performance share units 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 12, 2025, the Company had issued and outstanding 85,889,459 common shares, 1,144,826 performance share units, 2,671,261 performance stock options, and 3,064,991 stock options.

SUMMARY OF QUARTERLY RESULTS – CONTINUING OPERATIONS

Three Months Ended	Mar. 31, 2023	Jun. 30, 2023	Sep. 30, 2023	Dec. 31, 2023	Mar. 31, 2024	Jun. 30, 2024	Sep. 30, 2024	Dec. 31, 2024
<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>								
Financial								
Revenue	493,323	466,463	483,093	421,402	330,096	426,047	430,109	381,230
Adjusted EBITDA ⁽¹⁾⁽²⁾	83,794	87,785	91,286	62,591	26,057	65,386	65,039	34,512
Net income (loss)	36,313	50,531	97,523	13,202	(2,903)	24,549	(6,687)	(6,424)
Per share – basic	0.45	0.62	1.20	0.16	(0.03)	0.29	(0.08)	(0.07)
Per share – diluted	0.41	0.58	1.09	0.15	(0.03)	0.29	(0.08)	(0.07)
Capital expenditures	34,474	30,718	50,825	49,397	48,072	66,753	22,509	32,955
Working capital (end of period)	232,370	282,850	283,680	236,392	273,712	303,889	307,139	273,901
Total equity (end of period)	458,826	502,928	596,141	615,903	623,743	653,498	643,776	653,330
Operating (end of period)								
Active pumping horsepower (000s)	1,155	1,159	1,174	1,173	1,090	1,103	1,148	1,155
Idle pumping horsepower (000s)	79	79	70	72	156	156	111	—
Total pumping horsepower (000s)	1,234	1,238	1,244	1,245	1,246	1,259	1,259	1,155
Active coiled tubing units (#)	11	11	11	11	11	11	12	12
Idle coiled tubing units (#)	5	2	2	1	1	1	1	—
Total coiled tubing units (#)	16	13	13	12	12	12	13	12
Active cementing units (#)	10	10	10	10	10	10	10	10
Idle cementing units (#)	1	1	1	1	1	1	1	1
Total cementing units (#)	11	11	11	11	11	11	11	11

⁽¹⁾ Refer to "Non-GAAP Measures" on page 17 for further information.

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 OPERATIONS

The Company's North American business is seasonal. Historically, the lowest activity is 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 (refer to "Business Risks" below). Activity in the fourth quarter is typically impacted by customer budget exhaustion and seasonal holidays in North America. 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 January and February. This trend, coupled with wellsite access enhancements, longer pad completions and the focus of core customers in Canada, has caused a shifting of activity levels for the Company from Q1 into Q2, and appears to be normalizing the impacts of spring-up break-up that had previously been significant.

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,	2024	2023	Change
<i>(C\$000s, except per share amounts)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(%)</i>
<i>(unaudited)</i>			
Revenue	381,230	421,402	(10)
Adjusted EBITDA ⁽¹⁾	34,512	62,591	(45)
Consolidated cash flows provided by operating activities	84,471	121,284	(30)
Capital expenditures	32,955	49,397	(33)
Net (loss) income	(6,424)	13,202	NM
Per share – basic	(0.07)	0.16	NM
Per share – diluted	(0.07)	0.15	NM
Cash and cash equivalents	44,045	34,140	29
Working capital, end of year ⁽²⁾	273,901	236,392	16
Total assets, end of year	1,234,840	1,126,197	10
Long-term debt, end of year	320,908	250,777	28
Net debt ⁽¹⁾⁽³⁾	300,347	241,065	25
Total consolidated equity, end of year	653,330	615,903	6

⁽¹⁾ Refer to “Non-GAAP Measures” on page 17 for further information.

⁽²⁾ Working capital excludes the current portion of long-term debt of \$150.0 million.

⁽³⁾ Refer to note 14 of the consolidated annual financial statements for further information.

FOURTH QUARTER 2024 OVERVIEW

In the fourth quarter of 2024, the Company:

- generated revenue of \$381.2 million, a decrease of 10 percent from the comparative quarter in 2023 primarily due to lower activity and pricing in North America, offset partially by activity with its new offshore coiled tubing unit in Argentina;
- reported Adjusted EBITDA of \$34.5 million versus \$62.6 million in the fourth quarter of 2023 primarily due to the lower revenue base in North America;
- recorded a \$12.7 million write-off of property, plant and equipment related to specifically identified U.S. fracturing assets;
- revised its salvage value estimate for certain of its fracturing equipment components to align with current operational experience. This change was adopted as a change in accounting estimate on a prospective basis, which resulted in a one-time depreciation charge of \$12.2 million related to fully depreciated components;
- recorded an income tax recovery of \$15.6 million, which was mainly related to the conversion of non-repayable intercompany debt into equity in Argentina and lower profitability in the United States;
- reported a net loss of \$6.4 million or \$0.07 per share diluted compared to a net income of \$13.2 million or \$0.15 per share diluted in the comparable quarter in 2023;
- reported period-end working capital of \$273.9 million, which includes a cash balance of \$44.0 million versus \$236.4 million at December 31, 2023; and
- incurred capital expenditures of \$33.0 million which included approximately \$21.0 million to grow the fracturing fleet in Argentina and continue its Tier IV fleet modernization program in North America.

FINANCIAL OVERVIEW – CONTINUING OPERATIONS

THREE MONTHS ENDED DECEMBER 31, 2024 VERSUS 2023

NORTH AMERICA

Three Months Ended December 31,	2024	2023	Change
<i>(C\$000s, except operational and exchange rate information)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(%)</i>
<i>(unaudited)</i>			
Revenue	289,883	331,688	(13)
Adjusted EBITDA ⁽¹⁾	23,121	48,070	(52)
Adjusted EBITDA (%) ⁽¹⁾	8.0	14.5	(45)
Fracturing revenue per job (\$)	35,238	38,678	(9)
Number of fracturing jobs	7,975	8,343	(4)
Active pumping horsepower, end of period (000s)	1,018	1,034	(2)
Idle pumping horsepower, end of period (000s)	—	72	(100)
Total pumping horsepower, end of period (000s)	1,018	1,106	(8)
Active coiled tubing units, end of period (#)	6	6	—
Idle coiled tubing units, end of period (#)	—	1	(100)
Total coiled tubing units, end of period (#)	6	7	(14)
US\$/C\$ average exchange rate ⁽²⁾	1.3982	1.3622	3

⁽¹⁾ Refer to “Non-GAAP Measures” on page 17 for further information.

⁽²⁾ Source: Bank of Canada.

REVENUE

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

ADJUSTED EBITDA

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

ARGENTINA

Three Months Ended December 31,	2024	2023	Change
<i>(C\$000s, except operational and exchange rate information)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(%)</i>
<i>(unaudited)</i>			
Revenue	91,347	89,714	2
Adjusted EBITDA ⁽¹⁾	15,636	19,946	(22)
Adjusted EBITDA (%) ⁽¹⁾	17.1	22.2	(23)
Fracturing revenue per job (\$)	101,626	75,225	35
Number of fracturing jobs	471	697	(32)
Active pumping horsepower, end of period (000s)	137	139	(1)
Idle pumping horsepower, end of period (000s)	—	—	—
Total pumping horsepower, end of period (000s)	137	139	(1)
Active coiled tubing units, end of period (#)	6	5	20
Idle coiled tubing units, end of period (#)	—	—	—
Total coiled tubing units, end of period (#)	6	5	20
Active cementing units, end of period (#)	10	10	—
Idle cementing units, end of period (#)	1	1	—
Total cementing units, end of period (#)	11	11	—
US\$/C\$ average exchange rate ⁽²⁾	1.3982	1.3622	3

⁽¹⁾ Refer to “Non-GAAP Measures” on page 17 for further information.

⁽²⁾ Source: Bank of Canada.

REVENUE

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

ADJUSTED EBITDA

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

CORPORATE

Three Months Ended December 31,	2024	2023	Change
(C\$000s)	(\$)	(\$)	(%)
(unaudited)			
Adjusted EBITDA ⁽¹⁾	(4,245)	(5,425)	(22)
% of revenue from continuing operations	(1.1)	(1.3)	(15)

⁽¹⁾ Refer to "Non-GAAP Measures" on page 17 for further information.

ADJUSTED EBITDA

Corporate expenses during the fourth quarter of 2024 were \$4.2 million or \$1.2 million lower than the fourth quarter of 2023 primarily due to a decrease in financial performance-based compensation.

DEPRECIATION

For the three months ended December 31, 2024, depreciation expense from continuing operations of \$45.0 million was \$14.6 million higher than the corresponding quarter in 2023. During the quarter, the Company revised its salvage value estimate for certain of its fracturing equipment components to align with current operational experience. This change resulted in a one-time impact of \$12.2 million to depreciation expense related to fully depreciated components. The remaining increase was due to the higher asset base resulting from the Company's fleet modernization program.

WRITE-OFF OF PROPERTY, PLANT & EQUIPMENT

In the fourth quarter, the Company recorded a write-off of \$12.7 million of property, plant and equipment for specifically identified U.S. fracturing assets that were permanently obsolete and idle.

FOREIGN EXCHANGE GAINS AND LOSSES

The Company recorded a foreign exchange gain from continuing operations of \$8.7 million during the fourth quarter of 2024 versus a loss of \$14.5 million in the comparative three-month period of 2023. 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 due to the revaluation of net monetary assets that were held in U.S. dollars in Canada as the Canadian dollar weakened relative to the U.S. dollar, offset partially by net monetary assets that were held in pesos in Argentina as the peso also devalued against the U.S. dollar during this period.

INTEREST

The Company recorded a net interest expense from continuing operations of \$8.2 million for the fourth quarter of 2024 compared to \$6.7 million in the comparable period in 2023. The increase in interest expense was primarily due to higher average revolving credit facility borrowings during the fourth quarter of 2024 which contributed to the increase in interest expense combined with a weaker Canadian dollar, which resulted in higher interest on the Company's Second Lien Notes relative to the comparable quarter in 2023. The Company's reported interest expense during the fourth quarter of 2024 included \$0.8 million of interest income generated primarily in Argentina compared to \$1.4 million in the comparable quarter in 2023.

INCOME TAXES

The Company had a current income tax recovery from continuing operations of \$6.4 million during the fourth quarter of 2024, which was primarily related to a recovery recorded in Argentina due to the conversion of intercompany debt into additional equity. This transaction allowed for the deduction of these intercompany charges in Argentina for income tax purposes and, as a result, significantly reduced the anticipated current tax expense for the year. This was partially offset by a withholding tax expense in Canada related to the settlement of these intercompany amounts. The Company also recorded a deferred tax recovery of \$9.2 million in the United States due to the net loss, which included the \$12.7 million write-off of PP&E incurred during the quarter.

BUSINESS UPDATE AND OUTLOOK

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

NORTH AMERICA

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

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

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

ARGENTINA

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

CORPORATE

Calfrac remains committed to its strategies of maximizing net income and deploying excess free cash flows to reduce its long-term debt. The Company made progress on its long-term debt reduction objective since the middle of 2024 and is focused on achieving a long-term financing solution to replace its existing Second Lien Notes before the end of the year. Management remains committed to stringent cost management and prudent capital allocation to maximize long-term returns for its shareholders.

ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

During the first quarter of 2022, management committed to a plan to sell its Russian division, resulting in the associated assets and liabilities being classified as held for sale and presented as 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.

In conjunction with the ongoing sale process and in light of the Canadian sanctions and restrictions that were issued in relation to the Russian oil and gas industry and the foreign investor exit rules of the Russian Federation, the Company has adjusted the Russian division's current and long-term assets to reflect their revised expected recoverable amount as at December 31, 2024 (see note 4 of the annual consolidated financial statements). Management will continue to revisit the fair value of the net assets at each reporting period and upon the close of the transaction.

It is management's judgement, that based on the facts and circumstances, the Company continues to control and therefore consolidate the Russian subsidiary.

	Three Months Ended Dec. 31,			Years Ended Dec. 31,		
	2024	2023	Change	2024	2023	Change
<i>(C\$000s, except per share amounts)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(%)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(%)</i>
<i>(unaudited)</i>						
Revenue	38,551	31,419	23	155,521	133,947	16
Adjusted EBITDA	6,467	5,327	21	30,800	23,474	31
Adjusted EBITDA (%)	16.8	17.0	(1)	19.8	17.5	13

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, 2024 and the Company's Annual Information Form for the year ended December 31, 2024 under the heading "Discontinued Operations" which are available on the Company's SEDAR+ profile at 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 for the period was calculated as follows:

	Three Months Ended Dec. 31,		Years Ended Dec. 31,	
	2024	2023	2024	2023
(C\$000s)	(\$)	(\$)	(\$)	(\$)
(unaudited)				
Net (loss) income from continuing operations	(6,424)	13,202	8,535	197,569
Add back (deduct):				
Depreciation	45,021	30,435	135,886	116,641
Foreign exchange (gains) losses	(8,723)	14,494	(4,145)	22,378
Loss (gain) on disposal of property, plant and equipment	1,031	1,042	863	(4,625)
Write-off of property, plant and equipment	12,690	—	12,690	—
Reversal of impairment of property, plant and equipment	—	—	—	(41,563)
Litigation settlement	—	—	—	(6,805)
Restructuring charges	5,062	—	10,617	2,991
Stock-based compensation	(6,747)	2,307	(1,173)	5,117
Interest	8,191	6,671	31,206	29,694
Income taxes	(15,589)	(5,560)	(3,485)	4,059
Adjusted EBITDA from continuing operations	34,512	62,591	190,994	325,456
Less: IFRS 16 lease payments	(3,284)	(3,183)	(13,172)	(12,528)
Less: Argentina EBITDA threshold adjustment ⁽¹⁾	(3,634)	—	(51,985)	—
Bank EBITDA for financial covenant purposes	27,594	59,408	125,837	312,928

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

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

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

OTHER NON-STANDARD FINANCIAL TERMS

MAINTENANCE AND EXPANSION CAPITAL

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

CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

As at December 31, 2024 (C\$000s) (unaudited)	Payment Due by Period				
	Total (\$)	< 1 Year (\$)	1 - 3 Years (\$)	4 - 5 Years (\$)	After 5 Years (\$)
Leases - IFRS 16	26,153	10,960	14,913	280	—
Leases - non-IFRS 16	11,669	5,240	6,004	425	—
Purchase obligations	43,959	43,959	—	—	—
Total contractual obligations	81,781	60,159	20,917	705	—

As outlined above, Calfrac has various contractual lease commitments related to premises, equipment, vehicles and storage facilities 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, 2024 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 continued control over the Russian 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 \$1.3 million at December 31, 2024 (December 31, 2023 – \$1.0 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 fair value of the Second Lien Notes, as measured based on the closing market price at December 31, 2024 was \$171.6 million (December 31, 2023 – \$144.0 million). The carrying value of the revolving term loan facility approximates its fair value as the interest rate is not significantly different from current interest rates for similar loans.

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, 2024, the Company had a loss allowance provision for accounts receivable of \$1.3 million (December 31, 2023 – \$1.0 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, 2024 and 2023, excluding any impaired accounts, are as follows:

As at December 31,	2024	2023
<i>(C\$000s)</i>	<i>(\$)</i>	<i>(\$)</i>
<i>(unaudited)</i>		
Current	203,151	179,283
31 - 60 days	20,788	48,760
61 - 90 days	11,408	8,555
91+ days	968	1,544
Total	236,315	238,142

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, 2024 amounts to \$1.5 million (December 31, 2023 – \$1.0 million).

The Company's effective interest rate for the year ended December 31, 2024 was 9.7 percent (December 31, 2022 – 9.3 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 the table below:

At December 31, 2024	Total	< 1 Year	1 - 3 Years	4 - 6 Years	7 - 9 Years	Thereafter
(C\$000s)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<i>(unaudited)</i>						
Accounts payable and accrued liabilities	173,974	173,974	—	—	—	—
Lease obligations ⁽¹⁾	26,153	10,960	14,913	280	—	—
Long-term debt ⁽¹⁾	354,155	176,793	177,362	—	—	—

At December 31, 2023	Total	< 1 Year	1 - 3 Years	4 - 6 Years	7 - 9 Years	Thereafter
(C\$000s)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<i>(unaudited)</i>						
Accounts payable and accrued liabilities	176,817	176,817	—	—	—	—
Lease obligations ⁽¹⁾	26,750	11,977	13,466	1,307	—	—
Long-term debt ⁽¹⁾	305,341	24,749	280,592	—	—	—

⁽¹⁾ Principal and interest of current and long-term portion

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. In addition, the Company's Second Lien Notes and related interest expense are denominated in U.S. dollars.

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

At December 31, 2023	Impact to Net Income
(C\$000s)	(\$)
1% change in value of U.S. dollar	1,513
20% change in value of Argentinean peso	67

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 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, 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 to a year-over-year decline in natural gas prices. The Company recognizes this is an indicator of impairment that warrants an assessment on the recoverable amount of its property, plant and equipment for the United States CGU as at December 31, 2024. 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 (year ended December 31, 2023 – reversal of impairment of \$41.6 million in the Canada CGU).

The impairment losses (reversal of impairment) by CGU are as follows:

Years Ended December 31,	2024	2023
<i>(C\$000s)</i>	<i>(\$)</i>	<i>(\$)</i>
Canada	—	(41,563)
United States	—	—
	—	(41,563)

In addition, the Company carried out a comprehensive review of its property, plant and equipment and identified assets in the United States that were deemed to be obsolete, and therefore, no longer able to generate cash inflows. The net book value of these assets totaled \$12.7 million were written off during the three months ended December 31, 2024.

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, 2024, the Company reviewed the carrying value of its inventories across all operating segments and determined that there was no requirement to write off obsolete inventory nor write inventory down to its net realizable amount (year ended December 31, 2023 – \$nil).

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

Certain entities controlled by George S. Armoyn previously held US\$16.8 million of the Company's Second Lien Notes as at December 31, 2023. These holdings were sold during 2024.

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, 2024 was \$1.0 million (year ended December 31, 2023 – \$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

The Company applied IAS 1 *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants* for the year beginning on January 1, 2024. This amendment did not have a material impact on the consolidated financial statements.

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 continues to assess its exposure to Pillar Two income taxes and does not expect the impact of Pillar Two provisions to be material to the Company.

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 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 currently assessing the implications of applying this new standard 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, 2024. 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. Copies of the Annual Information Form may also be obtained on request without charge from Calfrac at Suite 500, 407 - 8th Avenue S.W., Calgary, Alberta, Canada, T2P 1E5, or at www.calfrac.com.

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; activity, demand, utilization and outlook for the Company’s continuing operations, including the potential impacts of, and mitigation strategies for, the tariffs implemented by the U.S. and Canada on the Company’s North American segment and the strong activity and profitability outlook for the Argentina segment; the supply and demand fundamentals of the pressure pumping industry; input costs, margin and service pricing trends and strategies; operating and financing strategies, performance, priorities, metrics and estimates, such as the Company’s strategic priorities to prudently deploy capital and maximize returns to shareholders; the Company’s Russian segment, including the planned sale of the Russian division, the ongoing risks, uncertainties and restrictions relating to its business and operations, the regulatory approvals to complete a sale transaction and the Company’s compliance with applicable laws and sanctions; the Company’s debt, liquidity and financial position, including intentions for a long-term financing solution for the Second Lien Notes; future financial resources and performance; the Company’s capital structure, restrictions under its lending documents; and the Company’s ability to raise capital; future costs or potential liabilities; the Company’s service quality; capital investment, including the progress of the Company’s fleet modernization plan and the timing of deployment of additional Tier IV DGB pumps into the field; supply of raw materials, diesel fuel, and component parts; the Company’s growth strategy and prospects; operational execution and expectations regarding the Company’s ability to maintain its competitive position; the impact of environmental regulations on the Company’s business; the impact of economic sanctions on the Company’s business; exposure under existing legal proceedings; accounting policies, practices, standards and judgements of the Company; and treatment under government regulatory regimes.

These statements are derived from certain assumptions and analyses made by the Company based on its experience and perception of historical trends, current conditions, expected future developments and other factors that it believes are appropriate in the circumstances, including, but not limited to, the economic and political environment in which the Company operates, including the continued implementation of Argentina economic reforms and liberalization of its oil and gas industry as well as the current state of the trade war between Canada and the U.S. and its expected impact on the pressure pumping market in North America; the Company’s expectations for its customers’ capital budgets, demand for services and geographical areas of focus; the level of merger and acquisition activity among oil and gas producers and its impact on the demand for well completion services; the anticipated effects of artificial intelligence power requirements and

the commissioning of liquified natural gas terminals on supply and demand fundamentals for oil and natural gas; the ability of newly deployed Tier IV DGB pumping units to achieve manufacturer claims with respect to operational performance, diesel displacement and costs savings in the field; the effect of environmental, social and governance factors on customer and investor preferences and capital deployment; the status of the military conflict in the Ukraine and related Canadian, United States and international sanctions and restrictions involving Russia and counter-sanctions, restrictions, and political measures that may be undertaken in respect of the Company's ownership and planned sale of the Russian division; industry equipment levels including the number of active fracturing fleets marketed by the Company's competitors and the timing of deployment of the Company's fleet upgrades; the continued effectiveness of cost reduction measures instituted by the Company; the Company's existing contracts and the status of current negotiations with key customers and suppliers; and the likelihood that the current tax and regulatory regime will remain substantially unchanged.

Forward-looking statements are subject to a number of known and unknown risks and uncertainties that could cause actual results to differ materially from the Company's expectations. Such risk factors include but are not limited to: (A) industry risks, including but not limited to, global economic conditions and the level of exploration, development and production for oil and natural gas in North America and Argentina; a shift in strategy by exploration and production companies prioritizing shareholders returns over production growth; excess equipment levels; impacts of conservation measures and technological advances on the demand for the Company's services; an intensely competitive oilfield services industry; and hazards inherent in the industry; (B) geopolitical risks, including but not limited to, the impacts of the trade war between Canada and United States; foreign operations exposure, including risks relating to repatriation of cash from foreign jurisdictions, unsettled political conditions, war, foreign exchange rates and controls; and risks that the sale of the discontinued operations in Russia may not occur or may be delayed; (C) financial risks, including but not limited to, restrictions on the Company's access to capital, including the impacts of covenants under the Company's lending documents; direct and indirect exposure to volatile credit markets, including interest rate risk; fluctuations in currency exchange rates; price escalation and availability of raw materials, diesel fuel and component parts; actual results which are materially different from management estimates and assumptions; the Company's access to capital and common share price given a significant number of common shares are controlled by two directors of the Company; possible dilution from outstanding stock-based compensation, additional equity or debt securities; and changes in tax rates or reassessment risk by tax authorities; (D) business operations risks, including but not limited to, fleet reinvestment risk, including the ability of the Company to finance the capital necessary for equipment upgrades to support its operational needs while meeting government and customer requirements and preferences; risks of delays and quality of equipment due to Company's reliance on equipment manufacturers, suppliers and fabricators; seasonal volatility; constrained demand for the Company's services due to merger and acquisition activity; a concentrated customer base; cybersecurity risks; difficulty retaining, replacing or adding personnel; failure to continuously improve equipment, proprietary fluid chemistries and other products and services; climate change; failure to maintain safety standards and records; improper access to confidential information; failure to effectively and timely address the energy transition; risks of various types of activism; and failure to realize anticipated benefits of acquisitions and dispositions; (E) legal and regulatory risks, including but not limited to, federal, provincial and state legislative and regulatory initiatives and laws; health, safety and environmental laws and regulations; the direct and indirect costs of various existing and proposed climate change regulations; and legal and administrative proceedings. Further information about these and other risks and uncertainties may be found under the heading "Business Risks" above.

Consequently, all of the forward-looking statements made in this 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 or under the Company's public filings found at www.sedarplus.ca.