



Calfrac Reports \$83.8 Million Adjusted EBITDA With Best First-Quarter Margin Percentage Since 2012

May 9, 2023

CALGARY, Alberta, May 09, 2023 (GLOBE NEWSWIRE) -- Calfrac Well Services Ltd. ("Calfrac" or "the Company") (TSX: CFW) announces its financial and operating results for the three months ended March 31, 2023. The following press release should be read in conjunction with the management's discussion and analysis and interim consolidated financial statements and notes thereto as at March 31, 2023. Readers should also refer to the "Forward-looking statements" legal advisory and the section regarding "Non-GAAP Measures" at the end of this press release. All financial amounts and measures are expressed in Canadian dollars unless otherwise indicated. Additional information about Calfrac is available on the SEDAR website at www.sedar.com, including the Company's Annual Information Form for the year ended December 31, 2022.

CEO'S MESSAGE

Calfrac built upon the significant momentum generated in the second half of 2022 by continuing to leverage its execution in the field to produce solid year-over-year growth in net income and free cash flow during the first quarter of 2023. The Company generated Adjusted EBITDA from continuing operations of \$83.8 million and consolidated cash flow from operations of \$40.9 million during the first quarter of 2023, despite an increase of \$36.2 million in consolidated working capital resulting from seasonal cash requirements in North America. Calfrac exited the quarter with net debt to Adjusted EBITDA of 1.16x as compared to 1.48x at year-end and the Company anticipates that its leverage will continue to decrease significantly throughout the remainder of the year. Calfrac is currently in the final stages of deploying seven repowered Tier IV dynamic gas blending ("DGB") units and two new Tier IV DGB units into its current fracturing fleets in North America. Calfrac has also committed to the conversion of an additional 50 Tier II fracturing pumps from its North American operations into Tier IV DGB units as a part of the Company's multi-year fracturing fleet modernization plan. These units are all expected to be deployed by the end of the first quarter of 2024. Calfrac expects continued robust activity in North America and Argentina will drive improved profitability and free cash flow growth in 2023. Any excess free cash flow will be dedicated to further debt repayment and, in turn, provide a strong return for shareholders.

Calfrac's Chief Executive Officer, Pat Powell commented: "Calfrac executed on its brand promise and generated strong financial results during the first quarter, and we are excited to build upon this momentum throughout the remainder of the year and continue to make progress on our strategic priorities."

SELECT FINANCIAL HIGHLIGHTS – CONTINUING OPERATIONS

	Three Months Ended Mar. 31,		
	2023	2022	Change
<i>(C\$000s, except per share amounts)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(%)</i>
<i>(unaudited)</i>			
Revenue	493,323	294,524	67
Adjusted EBITDA ⁽¹⁾	83,794	22,764	268
Consolidated cash flows provided by operating activities	40,894	15,753	160
Capital expenditures	34,474	12,145	184
Net income (loss)	36,313	(18,030)	NM
Per share – basic	0.45	(0.47)	NM
Per share – diluted	0.41	(0.47)	NM

	As at		
	March 31,	December 31,	Change
<i>(C\$000s)</i>	<i>2023</i>	<i>2022</i>	<i>(%)</i>
<i>(unaudited)</i>			
Cash and cash equivalents	23,169	8,498	173
Working capital, end of period	232,370	183,580	27
Total debt, end of period	339,471	329,186	3

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

During the quarter, the Company:

- began reporting the financial and operating performance for the United States and Canada under a single North America division as part of its strategy to streamline its operations and reporting structure;
- generated revenue of \$493.3 million, an increase of 67 percent from the first quarter in 2022 resulting primarily from improved pricing and activity in North America and better pricing in Argentina;
- reported Adjusted EBITDA of \$83.8 million versus \$22.8 million in the first quarter of 2022;

- reported net income from continuing operations of \$36.3 million or \$0.41 per share diluted compared to a net loss of \$18.0 million or \$0.47 per share diluted during the first quarter in 2022;
- reported period-end working capital of \$232.4 million versus \$183.6 million at December 31, 2022; and
- incurred capital expenditures of \$34.5 million, which included approximately \$17.3 million related to the Company's fracturing fleet modernization program.

FINANCIAL OVERVIEW – CONTINUING OPERATIONS THREE MONTHS ENDED MARCH 31, 2023 VERSUS 2022

NORTH AMERICA

	Three Months Ended Mar. 31,		
	2023	2022	Change
<i>(C\$000s, except operational and exchange rate information)</i>			
<i>(unaudited)</i>			
Revenue	413,047	239,945	72
Adjusted EBITDA ⁽¹⁾	76,487	21,416	257
Adjusted EBITDA (%)	18.5	8.9	108
Fracturing revenue per job (\$)	43,237	29,699	46
Number of fracturing jobs	9,223	7,690	20
Active pumping horsepower, end of period (000s)	1,017	797	28
Active coiled tubing units, end of period (#)	6	8	—
US\$/C\$ average exchange rate ⁽²⁾	1.3526	1.2663	7

⁽¹⁾ Prior period amounts revised due to changes in segment reporting.

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

⁽³⁾ Source: Bank of Canada.

OUTLOOK

Although adverse weather impacted Calfrac's operations in North America earlier this year, the Company's commitment to safe and high quality operations resulted in the generation of its highest first-quarter Adjusted EBITDA margin since 2012. Calfrac's focus on operational excellence during the first quarter set Company records for both stages completed in a day and sand pumped during a month. While the rate of input cost inflation has abated since last year, the Company continues to closely manage its field expenses to maximize operating margins and overall financial returns.

One of the Company's most effective tools for maximizing shareholder returns is by leveraging its large operating scale to transfer equipment between districts and capitalize on seasonality factors as well as any dislocation in commodity prices. Calfrac expects consistent utilization and pricing for its 15 large fracturing fleets and six coiled tubing units in North America throughout 2023 as operators seek out high performing service companies to execute their development plans.

Calfrac is in the process of deploying its new Tier IV DGB equipment and anticipates capitalizing on enhanced demand from customers for this type of engine technology as it assists them in reaching their Environmental, Social and Governance ("ESG") targets. Despite the recent volatility in commodity prices, the Company believes that the North American pressure pumping market can remain resilient given limited industry net capacity additions.

THREE MONTHS ENDED MAR. 31, 2023 COMPARED TO THREE MONTHS ENDED MAR. 31, 2022

REVENUE

Revenue from Calfrac's North American operations increased significantly to \$413.0 million during the first quarter of 2023 from \$239.9 million in the comparable quarter of 2022. The 72 percent increase in revenue can be attributed to a combination of a 46 percent increase in revenue per job period-over-period, combined with a 20 percent increase in the number of fracturing jobs completed. The higher revenue per job was the result of improved pricing for its services as the Company passed through higher input costs to its customers while also achieving net pricing gains beginning in the second quarter in 2022, combined with the impact of job mix. The increase in job count was mainly due to the Company operating 15 fleets during the quarter with more consistent utilization compared to an average of 10 operating fleets in the comparable quarter in 2022. The Company activated a 5th fleet in Canada in January with consistent utilization throughout the quarter. Despite the improved utilization relative to the comparable quarter, the first quarter in 2023 was impacted by severe weather conditions, resulting in the loss of approximately 6 operating days per fleet operating in the United States. Coiled tubing revenue also increased by 35 percent as compared to the first quarter in 2022 due to increased utilization and a larger number of crewed fleets operating in Canada.

ADJUSTED EBITDA

The Company's operations in North America generated Adjusted EBITDA of \$76.5 million during the first quarter of 2023 compared to \$21.4 million in the same period in 2022. This increase in Adjusted EBITDA was largely driven by strong net pricing gains and a dedicated focus on cost control which supported significant margin expansion relative to the comparable quarter in 2022. The Company was able to achieve an Adjusted EBITDA margin of 19 percent compared to 9 percent in the comparable quarter in 2022 through strong pricing and utilization for all of its active fleets, including an incremental 15th fleet that was activated at the beginning of the quarter.

ARGENTINA

	Three Months Ended Mar. 31,		
	2023	2022	Change
<i>(C\$000s, except operational and exchange rate information)</i>			
<i>(unaudited)</i>			
Revenue	80,276	54,579	47
Adjusted EBITDA ⁽¹⁾	11,540	5,789	99

Adjusted EBITDA (%)	14.4	10.6	36
Fracturing revenue per job (\$)	88,174	56,907	55
Number of fracturing jobs	555	532	4
Active pumping horsepower, end of period (000s)	139	139	—
US\$/C\$ average exchange rate ⁽²⁾	1.3526	1.2663	7

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

⁽²⁾ Source: Bank of Canada.

OUTLOOK

Calfrac's Argentina division anticipates higher profitability through increased utilization and job mix with dedicated contract work across all service lines in the Vaca Muerta shale play and the conventional basins of southern Argentina to generate improved year-over-year financial performance.

THREE MONTHS ENDED MAR. 31, 2023 COMPARED TO THREE MONTHS ENDED MAR. 31, 2022

REVENUE

Calfrac's Argentinean operations generated revenue of \$80.3 million during the first quarter of 2023 compared to \$54.6 million in the comparable quarter in 2022 primarily due to higher fracturing and coiled tubing revenue. Fracturing revenue increased due to a combination of larger job sizes and higher pricing, as the Company entered into a new contract at the beginning of the third quarter of 2022 at pricing levels that covered higher costs caused by inflationary pressures during the quarter. The Company also completed 4 percent more jobs than the comparable period in 2022 with the majority of the increase attributed to its operations in southern Argentina. Activity in the Company's cementing operations increased by 20 percent offset partially by a 10 percent decrease in revenue per job due to job mix. The number of coiled tubing jobs decreased by 11 percent while revenue per job improved by 54 percent primarily due to job mix and higher pricing due to inflation.

ADJUSTED EBITDA

The Company's operations in Argentina generated Adjusted EBITDA of \$11.5 million during the first quarter of 2023 compared to \$5.8 million in the comparable quarter of 2022, while the Company's Adjusted EBITDA margins as a percentage of revenue also improved to 14 percent from 11 percent. The Company entered into a new contract for its large fracturing fleet servicing the Vaca Muerta play at the beginning of the third quarter of 2022 with higher utilization and improved pricing which resulted in higher Adjusted EBITDA margins relative to the comparable period in 2022.

CAPITAL EXPENDITURES

	Three Months Ended Mar. 31,		
	2023	2022	Change
(C\$000s)	(\$)		
North America	33,748	10,956	208
Argentina	726	1,189	(39)
Continuing Operations	34,474	12,145	184

Capital expenditures were \$34.5 million for the quarter ended March 31, 2023. Calfrac's Board of Directors have approved a 2023 capital budget of approximately \$155.0 million, which excludes expenditures related to fluid end components as these have been recorded as maintenance expenses beginning in January 2023 for all continuing reporting segments. This change in accounting estimate was based on new information surrounding the useful life of these components.

OTHER DEVELOPMENTS

As part of Calfrac's strategy to streamline and simplify its operational and administrative structure, the Company has decided to evaluate and report the financial and operating performance for the United States and Canada under a single North America division beginning with the interim financial statements and management's discussion and analysis for the three months ending March 31, 2023.

SUMMARY OF QUARTERLY RESULTS – CONTINUING OPERATIONS

Three Months Ended	Jun. 30, 2021	Sep. 30, 2021	Dec. 31, 2021	Mar. 31, 2022	Jun. 30, 2022	Sep. 30, 2022	Dec. 31, 2022	Mar. 31, 2023
(C\$000s, except per share and operating data)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
(unaudited)	Revised ⁽¹⁾	Revised ⁽¹⁾	Revised ⁽¹⁾	Revised ⁽¹⁾	Revised ⁽¹⁾	Revised ⁽¹⁾		
Financial								
Revenue	173,769	262,865	229,661	294,524	318,511	438,338	447,847	493,323
Adjusted EBITDA ⁽²⁾	550	30,925	8,382	22,763	48,992	86,032	75,954	83,794
Net income (loss)	(35,516)	(7,055)	(29,132)	(18,030)	(6,776)	45,352	14,757	36,313
Per share – basic	(0.95)	(0.19)	(0.77)	(0.47)	(0.18)	1.15	0.27	0.45
Per share – diluted	(0.95)	(0.19)	(0.77)	(0.47)	(0.18)	0.60	0.17	0.41
Capital expenditures	17,166	24,133	14,868	12,145	15,241	24,745	35,810	34,474

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

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

NON-GAAP MEASURES

Certain supplementary measures presented in this press release, including Adjusted EBITDA, Adjusted EBITDA Margin and the ratio of net debt to Adjusted EBITDA, 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 in order 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 in the Company's credit agreement 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 Margin is the ratio of Adjusted EBITDA to revenue for the period expressed as a percentage. Adjusted EBITDA for the period was calculated as follows:

Three Months Ended March 31,	2023	2022
<i>(C\$000s)</i>		
<i>(unaudited)</i>		<i>Revised</i>
Net income (loss) from continuing operations	36,313	(18,030)
Add back (deduct):		
Depreciation	30,162	29,954
Foreign exchange losses	1,486	3,837
(Gain) loss on disposal of property, plant and equipment	(537)	1,038
Litigation settlement	(6,805)	—
Restructuring charges	1,333	701
Stock-based compensation	544	1,034
Interest	8,174	9,816
Income taxes	13,124	(5,586)
Adjusted EBITDA(1)	83,794	22,764

(1) For bank covenant purposes, EBITDA includes \$4.6 million income from discontinued operations for the three months ended March 31, 2023 (three months ended March 31, 2022 – \$0.4 loss) and the deduction of an additional \$2.9 million of lease payments for the three months ended March 31, 2023 (three months ended March 31, 2022 – \$2.4 million) that would have been recorded as operating expenses prior to the adoption of IFRS 16.

The definition and calculation of the ratio of net debt to Adjusted EBITDA for the year ended December 31, 2022, is disclosed in Note 15 to the Company's year-end consolidated financial statements. The definition and calculation of this ratio for the twelve months ended March 31, 2023, is disclosed in Note 10 to the Company's interim financial statements for the corresponding period.

ADVISORIES FORWARD-LOOKING STATEMENTS

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

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

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

Forward-looking statements are subject to a number of known and unknown risks and uncertainties that could cause actual results to differ materially from the Company's expectations. Such risk factors include but are not limited to: (A) industry risks, including but not limited to, global economic conditions and the level of exploration, development and production for oil and natural gas in North America and Argentina; excess equipment levels; impacts of conservation measures and technological advances on the demand for the Company's services; hazards inherent in the industry; the ongoing impacts of the COVID-19 pandemic; the actions of activist shareholders and the increasing reluctance of institutional investors to invest in the industry in which the Company operates; and an intensely competitive oilfield services industry; (B) business operations risks, including but not limited to, fleet reinvestment risk, including the ability of the Company to finance the capital necessary for equipment upgrades to support its operational needs while meeting government and customer requirements and preferences; difficulty retaining, replacing or adding personnel; failure to improve and adapt equipment, proprietary fluid chemistries and other products and services; reliance on equipment suppliers and fabricators for timely delivery and quality of equipment; a concentrated customer base; seasonal volatility and climate change; cybersecurity risks, and activism; (C) financial risks, including but not limited to, price escalation and availability of raw materials, diesel fuel and component parts; restrictions on the Company's access to capital, including the impacts of covenants under the Company's lending documents; direct and indirect exposure to volatile credit markets; fluctuations in currency exchange rates and increased inflation; actual results which are materially different from management estimates and assumptions; insufficient internal controls; and possible impacts on the Company's access to capital and common share price given a significant number of common shares are controlled by two directors of the Company; (D) geopolitical risks, including but not limited to, foreign operations exposure, including risks relating to unsettled political conditions, war, including the ongoing Russia and Ukraine conflict and any expansion of that conflict, foreign exchange rates and controls, and international trade and regulatory controls and sanctions; the impacts of a delay of sale or failure to sell the Company's discontinued operations in Russia, including failure to receive any applicable regulatory approvals and reputational risks; foreign legal actions and unknown consequences of such actions; and risk associated with compliance with applicable law; (E) legal and regulatory risks, including but not limited to, federal, provincial and state legislative and regulatory initiatives; health, safety and environmental laws and regulations; and legal and administrative proceedings; and (F) environmental, social and governance risks, including but not limited to, failure to effectively and timely address the energy transition; legal and regulatory initiatives to limit greenhouse gas emissions; and the direct and indirect costs of various existing and proposed climate change regulations. Further information about these and other risks and uncertainties are set forth in the Company's most recently filed Annual Information Form under the heading "Risk Factors" which is available on the SEDAR website at www.sedar.com under

Company's profile.

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

BUSINESS RISKS

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

ADDITIONAL INFORMATION

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

Calfrac provides specialized oilfield services to exploration and production companies designed to increase the production of hydrocarbons from wells with continuing operations focused throughout western Canada, the United States and Argentina. During the first quarter of 2022, management committed to a plan to sell the Company's Russian division, resulting in the associated assets and liabilities being classified as held for sale and presented in the Company's financial statements as discontinued operations. The results of the Company's discontinued operations are excluded from the discussion and figures presented above unless otherwise noted. See Note 4 to the Company's audited consolidated financial statements for the year ended December 31, 2022 for additional information on the Company's discontinued operations.

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

FIRST QUARTER CONFERENCE CALL

Calfrac will be conducting a conference call for interested analysts, brokers, investors and news media representatives to review its 2023 first-quarter results at 10:00 a.m. (Mountain Time) on Tuesday, May 9, 2023. To participate in the conference call please register at the URL link below. Once registered, you will receive a dial-in number and a unique PIN, which will allow you to ask questions.

<https://register.vevent.com/register/BI0bfdac1c9204201b77258241d16eb6e>

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

<https://edge.media-server.com/mmc/p/nhyoz7si>

CONSOLIDATED BALANCE SHEETS

	March 31, 2023	December 31, 2022
	(\$)	(\$)
<i>(C\$000s) (unaudited)</i>		
ASSETS		
Current assets		
Cash and cash equivalents	23,169	8,498
Accounts receivable	314,040	238,769
Inventories	107,286	108,866
Prepaid expenses and deposits	15,540	12,297
	460,035	368,430
Assets classified as held for sale	54,945	45,940
	514,980	414,370
Non-current assets		
Property, plant and equipment	550,097	543,475
Right-of-use assets	22,333	22,908
Deferred income tax assets	9,187	15,000
	581,617	581,383
Total assets	1,096,597	995,753
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	210,138	171,603
Income taxes payable	5,553	964
Current portion of long-term debt	2,553	2,534
Current portion of lease obligations	9,421	9,749
	227,665	184,850
Liabilities directly associated with assets classified as held for sale	27,880	18,852
	255,545	203,702
Non-current liabilities		
Long-term debt	339,471	329,186
Lease obligations	13,416	13,443
Deferred income tax liabilities	29,339	26,450

	382,226	369,079
Total liabilities	637,771	572,781
Capital stock	865,716	865,059
Conversion rights on convertible notes	212	212
Contributed surplus	70,602	70,141
Warrants	36,238	36,558
Accumulated deficit	(542,207)	(580,544)
Accumulated other comprehensive income	28,265	31,546
Total equity	458,826	422,972
Total liabilities and equity	1,096,597	995,753

CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended March 31,	
	2023	2022
<i>(C\$000s, except per share data) (unaudited)</i>	<i>(\$)</i>	<i>(\$)</i>
Revenue	493,323	294,524
Cost of sales	425,636	290,824
Gross profit	67,687	3,700
Expenses		
Selling, general and administrative	9,127	12,625
Foreign exchange losses	1,486	3,837
(Gain) loss on disposal of property, plant and equipment	(537)	1,038
Interest	8,174	9,816
	18,250	27,316
Income (loss) before income tax	49,437	(23,616)
Income tax expense (recovery)		
Current	4,398	44
Deferred	8,726	(5,630)
	13,124	(5,586)
Net income (loss) from continuing operations	36,313	(18,030)
Net income (loss) from discontinued operations	2,024	(3,508)
Net income (loss) for the period	38,337	(21,538)
Earnings (loss) per share – basic		
Continuing operations	0.45	(0.47)
Discontinued operations	0.03	(0.09)
	0.47	(0.56)
Earnings (loss) per share – diluted		
Continuing operations	0.41	(0.47)
Discontinued operations	0.02	(0.09)
	0.43	(0.56)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31,	
	2023	2022
<i>(C\$000s) (unaudited)</i>	<i>(\$)</i>	<i>(\$)</i>
CASH FLOWS PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net income (loss) for the period	38,337	(21,538)
Adjusted for the following:		
Depreciation	30,162	30,153
Stock-based compensation	544	1,034
Unrealized foreign exchange (gains) losses	(292)	4,173
(Gain) loss on disposal of property, plant and equipment	(538)	1,037
Impairment of inventory	1,100	—
Impairment of other assets	1,151	—
Interest	8,143	9,816
Interest paid	(10,243)	(12,463)
Deferred income taxes	8,726	(5,630)
Changes in items of working capital	(36,196)	9,171

Cash flows provided by operating activities	40,894	15,753
FINANCING ACTIVITIES		
Bridge loan proceeds	—	15,000
Issuance of long-term debt, net of debt issuance costs	33,233	8,431
Long-term debt repayments	(25,000)	—
Lease obligation principal repayments	(2,604)	(2,083)
Proceeds on issuance of common shares from the exercise of warrants and stock options	254	704
Cash flows provided by financing activities	5,883	22,052
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(35,397)	(16,104)
Proceeds on disposal of property, plant and equipment	199	303
Proceeds on disposal of right-of-use assets	516	304
Cash flows used in investing activities	(34,682)	(15,497)
Effect of exchange rate changes on cash and cash equivalents	(2,807)	(7,020)
Increase in cash and cash equivalents	9,288	15,288
Cash and cash equivalents (bank overdraft), beginning of period	18,393	(1,351)
Cash and cash equivalents, end of period	27,681	13,937
Included in the cash and cash equivalents per the balance sheet	23,169	
Included in the assets held for sale/discontinued operations	4,512	

For further information, please contact:

Pat Powell, Chief Executive Officer
Mike Olinek, Chief Financial Officer

Telephone: 403-266-6000
www.calfrac.com