Calfrac Reports Record Second-Quarter Adjusted EBITDA of $87.8 Million

August 10, 2023

CALGARY, Alberta, Aug. 10, 2023 (GLOBE NEWSWIRE) -- **Calfrac Well Services Ltd. (“Calfrac” or “the Company”) (TSX: CFW)** announces its financial and operating results for the three and six months ended June 30, 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 June 30, 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.sedarplus.com, including the Company’s Annual Information Form for the year ended December 31, 2022.

CEO’S MESSAGE

Calfrac’s sound execution on its strategy enabled the Company to generate record second-quarter Adjusted EBITDA of $87.8 million and one of the best second-quarter Adjusted EBITDA margins in its history at 18.8%. Calfrac demonstrated its ability to prudently manage debt as it continued to drive down its net leverage to 1.04x, which is the lowest level in recent history, and expects to reduce borrowings by approximately $80.0 million by the end of 2023. Even as the Company navigated Canadian forest fires, weather delays, and customer scheduling gaps in its North America operations, Calfrac more than doubled Adjusted EBITDA and grew net income from continuing operations by $57.3 million year-over-year. In addition to strong financial results generated during the quarter, balanced near-term profitability with its long-term vision as it deployed seven upgraded and two new Tier IV dynamic gas blending (“DGB”) fracturing pumps into its operations in North America. An additional 50 upgraded Tier IV DGB units remain on schedule and are expected to be deployed by the end of the first quarter in 2024. Calfrac expects that steady utilization combined with rigorous cost management across its operations in North America and Argentina will produce improved free cash flow in 2023 and the Company believes that using any excess free cash flow to repay debt will provide the highest return for its shareholders.

Calfrac’s Chief Executive Officer, Pat Powell commented: “I am proud of the Calfrac team as it executed on its brand promise and maintained its strong safety record while generating record second-quarter Adjusted EBITDA and one of the highest second-quarter profit margins in its history. We are looking forward to deploying additional upgraded Tier IV DGB pumps through next year as we continue to make progress on our strategic priorities.”

SELECT FINANCIAL HIGHLIGHTS – CONTINUING OPERATIONS

	Three Months Ended June 30,			**Six Months Ended June 30,**		
	2023	2022	Change	**2023**	2022	Change
(C$000s, except per share amounts)	***($)***	*($)*	*(%)*	***($)***	*($)*	*(%)*
(unaudited)		Revised[1]			Revised[1]	
Revenue	**466,463**	318,511	46	**959,786**	613,035	57
Adjusted EBITDA[2]	**87,785**	40,734	116	**171,579**	63,498	170
Consolidated cash flows provided by operating activities	**18,192**	9,188	98	**59,086**	24,941	137
Capital expenditures	**30,718**	15,240	102	**65,192**	27,385	138
Net income (loss)	**50,531**	(6,776)	NM	**86,844**	(24,806)	NM
Per share – basic	**0.62**	(0.18)	NM	**1.07**	(0.65)	NM
Per share – diluted	**0.58**	(0.18)	NM	**0.98**	(0.65)	NM

As at	**June 30, 2023**	December 31, 2022	Change
(C$000s)	***($)***	*($)*	*(%)*
(unaudited)			
Cash and cash equivalents	**2,122**	8,498	(75)
Working capital, end of period	**282,850**	183,580	54
Total assets, end of period	**1,091,465**	995,753	10
Long-term debt, end of period	**331,317**	329,186	1
Total consolidated equity, end of period	**502,928**	422,972	19

[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.*

During the quarter, Calfrac:

- generated revenue of $466.5 million, an increase of 46 percent from the second quarter in 2022 resulting primarily from improved activity in North America and better pricing in Argentina;
- reported Adjusted EBITDA of $87.8 million versus $40.7 million in the second quarter of 2022;

- reported net income from continuing operations of $50.5 million or $0.58 per share diluted compared to a net loss of $6.8 million or $0.18 per share diluted during the second quarter in 2022;

- reported period-end working capital of $282.9 million versus $183.6 million at December 31, 2022;

- reduced its Net Debt to EBITDA to 1.04:1:00;

- received net proceeds of $21.5 million related to the sale of idle, redundant and non-core equipment in North America; and

- incurred capital expenditures of $30.7 million, which included approximately $12.8 million related to the Company's fracturing fleet modernization program.

FINANCIAL OVERVIEW – CONTINUING OPERATIONS
THREE AND SIX MONTHS ENDED JUNE 30, 2023 VERSUS 2022

NORTH AMERICA

	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	Change	**2023**	2022	Change
(C$000s, except operational and exchange rate information)	***($)***	*($)*	*($)*	***($)***	*($)*	*(%)*
(unaudited)						
Revenue	**376,322**	264,919	42	**789,369**	504,864	56
Adjusted EBITDA[(1)]	**75,283**	42,688	76	**151,770**	64,104	137
Adjusted EBITDA (%)	**20.0**	16.1	24	**19.2**	12.7	51
Fracturing revenue per job ($)	**43,585**	40,747	7	**43,403**	34,649	25
Number of fracturing jobs	**8,379**	6,243	34	**17,602**	13,933	26
Active pumping horsepower, end of period (000s)	**1,020**	795	28	**1,020**	795	28
US$/C$ average exchange rate[(2)]	**1.3428**	1.2768	5	**1.3477**	1.2714	6

(1) Refer to "Non-GAAP Measures" on page 6 for further information.
(2) Source: Bank of Canada.

OUTLOOK
Calfrac leveraged its diverse geographical footprint to overcome a significant amount of lost operating days by redeploying a fracturing fleet to an area of increased activity as well as adjusting to uncontrollable events during the second quarter to generate the highest second-quarter Adjusted EBITDA in its history. Additionally, the Company was able to successfully utilize its supply chain network and operational expertise to set new performance records for proppant pumped in a month. This high level of execution gives Calfrac the confidence that it will remain a sought after service provider with sustained activity through the second half of the year.

The pressure pumping market in North America has transitioned from undersupplied to relatively balanced as E&P companies have taken a cautious approach towards their capital deployment in response to commodity price uncertainty. Despite the recent slowdown, the Company maintains that the oilfield services industry remains in a long duration upcycle to assist producers in meeting the growing demand for oil and gas and believes that it is well-positioned through its geographic diversification and strong customer relationships to capitalize on the anticipated increase in activity over the medium to long-term.

Calfrac is excited about its transition into a next-generation pressure pumping company as it deploys additional Tier IV DGB fracturing pumps and to realize their full operational benefits and generate increased returns for its shareholders.

THREE MONTHS ENDED JUNE 30, 2023 COMPARED TO THREE MONTHS ENDED JUNE 30, 2022

REVENUE
Revenue from Calfrac's North American operations increased significantly to $376.3 million during the second quarter of 2023 from $264.9 million in the comparable quarter of 2022. The 42 percent increase in revenue can be attributed to a 34 percent increase in the number of fracturing jobs completed combined with a 7 percent period-over-period increase in revenue per job. 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 13 operating fleets in the respective quarter of 2022. The higher revenue per job was mainly the result of job mix as most pricing increases were implemented during the second quarter in 2022. Despite the improved utilization relative to the comparable quarter, the second quarter was impacted by wild fires in northeast British Columbia and Alberta during April and May resulting in lost operating days, but the majority of this delayed work was completed in June. Coiled tubing revenue also increased by 35 percent as compared to the second quarter in 2022 due to increased utilization for its six crewed fleets.

ADJUSTED EBITDA
The Company's operations in North America generated Adjusted EBITDA of $75.3 million during the second quarter of 2023 compared to $42.7 million in the same period in 2022. This increase in Adjusted EBITDA was primarily driven by utilization as pricing remained stable and consistent with the comparable period in 2022. The Company was able to achieve an Adjusted EBITDA margin of 20 percent compared to 16 percent in the comparable quarter in 2022 through much higher utilization in Canada combined with slightly better margin performance in the United States on a higher revenue base.

SIX MONTHS ENDED JUNE 30, 2023 COMPARED TO SIX MONTHS ENDED JUNE 30, 2022

REVENUE
Revenue from Calfrac's North American operations increased significantly to $789.4 million during the first six months of 2023 from $504.9 million in the comparable period of 2022. The 56 percent increase in revenue can be attributed to a 26 percent increase in the number of fracturing jobs completed combined with a 25 percent increase in revenue per job period-over-period. The increase in job count was mainly due to the Company operating 15 fleets during the period with more consistent utilization compared to an average of 11.5 operating fleets in the comparable period in 2022. The higher revenue per job was mainly the result of job mix and improved pricing. Coiled tubing revenue also increased by 21 percent as compared to

the first six months in 2022 due to increased utilization for its six crewed fleets.

ADJUSTED EBITDA

The Company's operations in North America generated Adjusted EBITDA of $151.8 million during the first six months of 2023 compared to $64.1 million in the same period in 2022. This increase in Adjusted EBITDA was largely driven by utilization. The Company was able to achieve an Adjusted EBITDA margin of 19 percent versus 13 percent in the comparable period in 2022 through much higher utilization combined with better realized pricing.

ARGENTINA

	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	Change	**2023**	2022	Change
(C$000s, except operational and exchange rate information)	***($)***	*($)*	*(%)*	***($)***	*($)*	*(%)*
(unaudited)						
Revenue	**90,141**	53,592	68	**170,417**	108,171	58
Adjusted EBITDA[1]	**17,752**	1,868	NM	**29,292**	7,657	283
Adjusted EBITDA (%)	**19.7**	3.5	NM	**17.2**	7.1	142
Fracturing revenue per job ($)	**83,155**	70,395	18	**85,472**	62,794	36
Number of fracturing jobs	**647**	412	57	**1,202**	944	27
Active pumping horsepower, end of period (000s)	**139**	139	—	**139**	139	—
US$/C$ average exchange rate[2]	**1.3428**	1.2768	5	**1.3477**	1.2714	6

[1] Refer to "Non-GAAP Measures" on page 6 for further information.

[2] Source: Bank of Canada.

OUTLOOK

The strong profitability generated from Calfrac's Argentina division is expected to continue through the end of the year as the Company anticipates solid utilization across all service lines in the Vaca Muerta shale play and the conventional basins of southern Argentina. Calfrac believes that the robust demand for its services will remain and enable it to achieve improved year-over-year financial performance.

THREE MONTHS ENDED JUNE 30, 2023 COMPARED TO THREE MONTHS ENDED JUNE 30, 2022

REVENUE

Calfrac's Argentinean operations generated revenue of $90.1 million during the second quarter of 2023 versus $53.6 million in the comparable quarter in 2022 primarily due to higher revenue across all service lines. Fracturing revenue increased due to a combination of client mix, 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. The Company also completed 57 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 4 percent combined with a 19 percent increase in revenue per job due to job mix. The number of coiled tubing jobs increased by 11 percent while revenue per job decreased by 10 percent primarily due to job mix.

ADJUSTED EBITDA

The Company's operations in Argentina generated Adjusted EBITDA of $17.8 million during the second quarter of 2023 compared to $1.9 million in the comparable quarter of 2022, while the Company's Adjusted EBITDA margins as a percentage of revenue also improved to 20 percent from 3 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.

SIX MONTHS ENDED JUNE 30, 2023 COMPARED TO SIX MONTHS ENDED JUNE 30, 2022

REVENUE

Calfrac's Argentinean operations generated revenue of $170.4 million during the first six months of 2023 compared to $108.2 million in the comparable period in 2022. Activity in the Vaca Muerta shale play continued to increase while activity in southern Argentina also achieved significant growth compared to the first half of 2022. Overall fracturing activity increased by 27 percent compared to the first six months in 2022 while revenue per job was 36 percent higher primarily due to overall inflation in operating costs and better pricing commencing in the second half of 2022 combined with a stronger U.S. dollar. Revenue from the Company's coiled tubing and cementing service lines also continued to improve relative to the previous year. The number of coiled tubing jobs increased by 10 percent as activity increased in Neuquén and southern Argentina while revenue per job was 16 percent higher primarily due to job mix and inflation. Activity in the Company's cementing operations increased by 12 percent and revenue per job increased by 4 percent due to changes in job mix as a greater number of pre-fracturing projects, which are typically larger job sizes, were completed in the first six months in 2023.

ADJUSTED EBITDA

The Company's operations in Argentina generated Adjusted EBITDA of $29.3 million during the first six months in 2023 versus $7.7 million in the first six months in 2022 as utilization of the Company's equipment improved across all service lines. The Company's operating margins as a percentage of revenue increased significantly from 7 percent to 17 percent primarily due to improved utilization and better pricing in all operating areas and service lines.

CAPITAL EXPENDITURES

	Three Months Ended June 30,			Six Months Ended June 30,		
	2023	2022	Change	**2023**	2022	Change
(C$000s)	***($)***	*($)*	*(%)*	***($)***	*($)*	*(%)*
North America	**26,830**	13,390	100	**60,578**	24,346	149
Argentina	**3,888**	1,850	110	**4,614**	3,039	52
Continuing Operations	**30,718**	15,240	102	**65,192**	27,385	138

Capital expenditures were $30.7 million for the quarter ended June 30, 2023. Calfrac's Board of Directors have approved a 2023 capital budget of approximately $160.0 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.

SUMMARY OF QUARTERLY RESULTS – CONTINUING OPERATIONS

Three Months Ended	Sep. 30, 2021	Dec. 31, 2021	Mar. 31, 2022	Jun. 30, 2022	Sep. 30, 2022	Dec. 31, 2022	Mar. 31, 2023	**Jun. 30, 2023**
(C$000s, except per share and operating data)	*($)*	*($)*	*($)*	*($)*	*($)*	*($)*	*($)*	***($)***
(unaudited)	*Revised[1]*	*Revised[1]*	*Revised[1]*	*Revised[1]*	*Revised[1]*			
Financial								
Revenue	262,865	229,661	294,524	318,511	438,338	447,847	493,323	**466,463**
Adjusted EBITDA[2]	30,925	8,382	22,763	40,734	86,032	75,954	83,794	**87,785**
Net income (loss)	(7,055)	(29,132)	(18,030)	(6,776)	45,352	14,757	36,313	**50,531**
Per share – basic	(0.19)	(0.77)	(0.47)	(0.18)	1.15	0.27	0.45	**0.62**
Per share – diluted	(0.19)	(0.77)	(0.47)	(0.18)	0.60	0.17	0.41	**0.58**
Capital expenditures	24,133	14,868	12,145	15,240	24,745	35,810	34,474	**30,718**

[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 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 June 30,		**Six Months Ended June 30**	
	2023	2022	**2023**	2022
(C$000s)	***($)***	*($)*	***($)***	*($)*
(unaudited)				
Net income (loss) from continuing operations	**50,531**	(6,776)	**86,844**	(24,806)
Add back (deduct):				
Depreciation	**28,657**	30,385	**58,819**	60,339
Foreign exchange losses (gains)	**4,983**	(3,435)	**6,469**	402
(Gain) loss on disposal of property, plant and equipment	**(4,424)**	3,750	**(4,961)**	4,788
Litigation settlements	**—**	3,000	**(6,805)**	3,000
Restructuring charges	**599**	265	**1,932**	966
Stock-based compensation	**797**	919	**1,341**	1,953
Interest	**7,587**	10,917	**15,761**	20,733
Income taxes	**(945)**	1,709	**12,179**	(3,877)
Adjusted EBITDA from continuing operations[1]	**87,785**	40,734	**171,579**	63,498

[1] *For bank covenant purposes, EBITDA includes $11.8 million income from discontinued operations for the six months ended June 30, 2023 (six months ended June 30, 2022 – $4.6 million loss from discontinued operations) and the deduction of an additional $6.4 million of lease payments for the six months ended June 30, 2023 (six months ended June 30, 2022 – $4.9 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 June 30, 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 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 and anticipated length of the pressure pumping market upcycle; the Company's expectations for its customers' capital budgets, demand for services 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 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, including interest rate risk; 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.sedarplus.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.sedarplus.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.sedarplus.com.

SECOND QUARTER CONFERENCE CALL

Calfrac will be conducting a conference call for interested analysts, brokers, investors and news media representatives to review its 2023 second-quarter results at 10:00 a.m. (Mountain Time) on Thursday, August 10, 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/BI1c2a2d5a20a849ecac619065a7b7f448

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/i4wbx9n9

CONSOLIDATED BALANCE SHEETS

	June 30, 2023	December 31, 2022
(C$000s) (unaudited)	***($)***	*($)*
ASSETS		
Current assets		

Cash and cash equivalents	**2,122**	8,498
Accounts receivable	**353,245**	238,769
Inventories	**103,919**	108,866
Prepaid expenses and deposits	**16,225**	12,297
	475,511	368,430
Assets classified as held for sale	**45,291**	45,940
	520,802	414,370
Non-current assets		
Property, plant and equipment	**527,575**	543,475
Right-of-use assets	**23,088**	22,908
Deferred income tax assets	**20,000**	15,000
	570,663	581,383
Total assets	**1,091,465**	995,753
LIABILITIES AND EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**174,899**	171,603
Income taxes payable	**5,602**	964
Current portion of long-term debt	**2,574**	2,534
Current portion of lease obligations	**9,586**	9,749
	192,661	184,850
Liabilities directly associated with assets classified as held for sale	**18,811**	18,852
	211,472	203,702
Non-current liabilities		
Long-term debt	**331,317**	329,186
Lease obligations	**13,328**	13,443
Deferred income tax liabilities	**32,420**	26,450
	377,065	369,079
Total liabilities	**588,537**	572,781
Capital stock	**866,106**	865,059
Conversion rights on convertible notes	**212**	212
Contributed surplus	**71,399**	70,141
Warrants	**35,951**	36,558
Accumulated deficit	**(488,946)**	(580,544)
Accumulated other comprehensive income	**18,206**	31,546
Total equity	**502,928**	422,972
Total liabilities and equity	**1,091,465**	995,753

CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2023	2022	**2023**	2022
(C$000s, except per share data) (unaudited)	***($)***	*($)*	***($)***	*($)*
Revenue	**466,463**	318,511	**959,786**	613,035
Cost of sales	**392,934**	300,166	**818,570**	590,990
Gross profit	**73,529**	18,345	**141,216**	22,045
Expenses				
Selling, general and administrative	**15,797**	12,180	**24,924**	24,805
Foreign exchange losses (gains)	**4,983**	(3,435)	**6,469**	402
(Gain) loss on disposal of property, plant and equipment	**(4,424)**	3,750	**(4,961)**	4,788
Interest	**7,587**	10,917	**15,761**	20,733
	23,943	23,412	**42,193**	50,728
Income (loss) before income tax	**49,586**	(5,067)	**99,023**	(28,683)
Income tax expense (recovery)				
Current	**6,109**	942	**10,507**	986
Deferred	**(7,054)**	767	**1,672**	(4,863)
	(945)	1,709	**12,179**	(3,877)
Net income (loss) from continuing operations	**50,531**	(6,776)	**86,844**	(24,806)
Net income (loss) from discontinued operations	**2,730**	(29,416)	**4,754**	(32,924)
Net income (loss) for the period	**53,261**	(36,192)	**91,598**	(57,730)
Earnings (loss) per share – basic				
Continuing operations	**0.62**	(0.18)	**1.07**	(0.65)
Discontinued operations	**0.03**	(0.76)	**0.06**	(0.86)
	0.66	(0.94)	**1.13**	(1.51)

Earnings (loss) per share – diluted				
Continuing operations	**0.58**	(0.18)	**0.98**	(0.65)
Discontinued operations	**0.03**	(0.76)	**0.05**	(0.86)
	0.61	(0.94)	**1.03**	(1.51)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2023	2022	**2023**	2022
(C$000s) (unaudited)	***($)***	*($)*	***($)***	*($)*
CASH FLOWS PROVIDED BY (USED IN)				
OPERATING ACTIVITIES				
Net income (loss) for the period	**53,261**	(36,192)	**91,598**	(57,730)
Adjusted for the following:				
Depreciation	**28,657**	30,385	**58,819**	60,538
Stock-based compensation	**797**	919	**1,341**	1,953
Unrealized foreign exchange losses (gains)	**3,666**	(13,241)	**3,374**	(9,068)
(Gain) loss on disposal of property, plant and equipment	**(4,447)**	3,750	**(4,985)**	4,787
Impairment of property, plant and equipment	**—**	5,634	**—**	5,634
Impairment of inventory	**1,592**	27,548	**2,692**	27,548
Impairment of other assets	**1,535**	9,648	**2,686**	9,648
Interest	**7,527**	10,917	**15,670**	20,733
Interest paid	**(1,242)**	(2,001)	**(11,485)**	(14,464)
Deferred income taxes	**(7,054)**	767	**1,672**	(4,863)
Changes in items of working capital	**(66,100)**	(28,946)	**(102,296)**	(19,775)
Cash flows provided by operating activities	**18,192**	9,188	**59,086**	24,941
FINANCING ACTIVITIES				
Bridge loan proceeds	**—**	—	**—**	15,000
Issuance of long-term debt, net of debt issuance costs	**18,223**	(1,474)	**51,456**	6,957
Bridge loan repayments	**—**	(15,000)	**—**	(15,000)
Long-term debt repayments	**(25,000)**	—	**(50,000)**	—
Lease obligation principal repayments	**(3,195)**	(2,176)	**(5,799)**	(4,259)
Proceeds on issuance of common shares from the exercise of warrants and stock options	**103**	559	**357**	1,263
Cash flows (used in) provided by financing activities	**(9,869)**	(18,091)	**(3,986)**	3,961
INVESTING ACTIVITIES				
Purchase of property, plant and equipment	**(42,929)**	(11,005)	**(78,326)**	(27,109)
Proceeds on disposal of property, plant and equipment	**21,489**	472	**21,688**	775
Proceeds on disposal of right-of-use assets	**593**	607	**1,109**	911
Cash flows used in investing activities	**(20,847)**	(9,926)	**(55,529)**	(25,423)
Effect of exchange rate changes on cash and cash equivalents	**(8,403)**	27,443	**(11,210)**	20,423
(Decrease) increase in cash and cash equivalents	**(20,927)**	8,614	**(11,639)**	23,902
Cash and cash equivalents (bank overdraft), beginning of period	**27,681**	13,937	**18,393**	(1,351)
Cash and cash equivalents, end of period	**6,754**	22,551	**6,754**	22,551
Included in the cash and cash equivalents per the balance sheet	**2,122**		**2,122**	
Included in the assets held for sale/discontinued operations	**4,632**		**4,632**	

For further information, please contact:
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